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GENERAL AND FLAG OFFICER REQUIREMENTS

HEARING

BEFORE THE

SUBCOMMITTEE ON
MANPOWER AND PERSONNEL

OF THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

AUGUST 10, 1988

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GENERAL AND FLAG OFFICER REQUIREMENTS

WEDNESDAY, AUGUST 10, 1988

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON MANPOWER AND PERSONNEL,
Washington, DC.

The committee met, pursuant to notice, at 10:45 a.m., Senator John Glenn (chairman) presiding.

Present: Senators Glenn, Nunn, Warner, and Wilson.

Staff present: Patrick A. Tucker, minority counsel; David S. Lyles, Frederick F.Y. Pang, Patricia L. Watson, professional staff members; Debra A. Rice, staff assistant.

Also present: Phillip P. Upschulte and Milton D. Beach, assistants to Senator Glenn; Terrance M. Lynch, assistant to Senator Shelby; and Anthony H. Cordesman, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR JOHN GLENN, CHAIRMAN

Senator GLENN. The hearing will be in order. I understand Senator Wilson is on the way but we will go ahead and proceed with the hearing. Several other members have indicated they will stop by during the hearing, although there is a lot going on here right now as we are trying to wind down before the recess begins tomorrow evening. So, I am not sure how many members we will have today, but I did want to get this hearing in before our break.

The committee meets today to conduct an oversight hearing on the general and flag officer requirements of the Department of Defense. Currently the Department of Defense is authorized to have 1,073 general and flag officers on active duty. In addition, the positions of director of the intelligence community staff and attending physician to the President are not counted against the 1,073 limit. This means the Department of Defense can have up to 1,075 general and flag officers on active duty.

In relationship to the total number of military personnel on active duty, this comes out to 4.9 general and flag officers for every 10,000 personnel. Twenty years ago at the height of the Vietnam war, the Department of Defense had 1,352 general and flag officers on active duty. In relationship to the total number of military on active duty, this came out to 3.8 general and flag officers per 10,000 personnel.

So, what we have today compared to what we had at the height of the Vietnam war in 1968 is a little over one more general and flag officer per 10,000 active duty military personnel. That is nearly a 30 percent increase in the ratio of general and flag officers to active duty military personnel.

Total active duty military personnel strength has come down by 40 percent since 1968 compared to 20 percent reduction for general and flag officers over the same period. So, total active duty military personnel strength came down at twice, repeat twice, the rate of the drawdown of general and flag officer strength from the Vietnam peak.

At face value what we have here—and we have talked about some of this in the past with regard to other ranks—we have called it brass creep—the situation has not gone without notice. In action on the fiscal year 1978 Defense Authorization Act, the Congress directed a reduction in general and flag officer strength of 6 percent. This reduction was achieved in fiscal year 1981 and the ceiling of 1,073 general and flag officers has not been changed since then. Yet, despite this action, we still have the condition I have described, a 30-percent increase in the ratio of general and flag officers to active duty personnel.

Now, this does not mean the Department of Defense has been content with this situation. In fact, the Department of Defense fought the cut. When the issue was launched, the Department of Defense immediately began efforts to reverse the cut and submitted proposed legislation to do so every year since 1982 except for the last 2 years. Had the Congress adopted the proposed legislation, the DOD would have essentially recouped the 6-percent cut imposed by the Congress.

When Congress refused to enact the legislation, some of the military services used the practice of frocking to circumvent the legal ceiling on the number of flag and general officers in the Defense Department. At one point 2 years ago we found that in addition to the 1,073 general and flag officers authorized under the law, there were an additional 139 officers frocked to the one-star rank in the military services.

This number has since come down, but there are still around 75 officers above the ceiling of 1,073 frocked to the one-star rank. It is obvious that the Congress and the Department of Defense are at opposite ends of the log on this particular issue. The recent history on this issue bears this out.

Since World War II, there have been four major studies conducted by DOD on general and flag officer requirements. In each of these studies a recommendation was made for more general and flag officers than the Congress would authorize. For example, a study done in 1978 made a recommendation for 300 more general and flag officers than the Congress would authorize.

Now, we have another study that the Department of Defense has advanced that makes a recommendation for 363 more general and flag officers than the current ceiling of 1,073 for a total of 1,436, 84 more than the 1968 Vietnam high of 1,352.

The study was done by the Hay Group under contract with the Office of the Secretary of Defense. The letter transmitting the report to the Committee on Armed Services indicates, and I quote:

> The Department intends to submit legislation to Congress that requests an increase from the current general and flag officer ceiling of 1,073 as imposed by the 1978 DOD Authorization Act to the number validated by the study.
>
> However, in addition to considering the Hay results, the number of GFO billets we ultimately request will also take into consideration the results of our own review

of the Department of Defense study of unified and specified command headquarters, conducted by Derek Vander Schaaf earlier this year.

This leads me to the purpose of this hearing. It is to find out if there is a sufficient case to be made for the increase, the Department of Defense's. We have been told they will seek, and we have Mr. Taft's letter to that effect, that that legislation will be submitted, or if the Department of Defense is now shifting from what I had termed brass creep in the past to brass leap I guess we could call it at this point.

Quite frankly, I have reviewed the Hay study. I find it raises as many questions for me as it answers. Just as a couple of little examples here, not to be a complete critique of the thing, but generals do not operate alone. What happens to colonels and majors and captains and lieutenants and so on down the line? Generals are not out there all by themselves.

If it is just the prestige of a star that we are looking for, then I would like the prestige of better pay, for one thing, and separating generals out so they are not all paid the same, so that being a Chairman of the Joint Chiefs does not result in any more compensation than it does to be a lesser ranked general. I do not want to see them all paid the same, regardless of increased responsibility and making the holding of rank. I would like to see it mean something and be properly rewarded, not just rank for rank's sake.

As to whether we somehow assess that the job is big enough. That word big in the report keeps jumping out at me as to how we define big, whether the job is big enough and we can get into that a little bit later.

The honor of stars on your shoulder may be fine, but I would like rank also to reflect something you take home and put in the bank, quite frankly. I do not think any of you gentlemen at the table would disagree with that, and we plan to look into that next year.

There were several other areas that I was concerned about also. It ignores our structure of the military and whether that needs to be changed. We have looked at the western command, for instance, where you have five flag officers, five general flag officers out there.

The Pentagon study itself indicates that—not the Hay study, but the Vander Schaaf study—indicates that that command should probably be eliminated. We have looked at that before and I have advocated that a year ago here after we looked at it. It was a command with five general officers, and we believe it should be combined with other commands.

Now, that may be a debatable subject. We will take that up later, and I am happy to hear the other side of that one if we are incorrect in that assumption. But when you have five general officers in basically one division I believe it is, it really is under that command, then I think we should be looking at some structure instead of just automatically asking for increases.

And I do not know what happens to colonels and majors and other people in this whole structure if we went ahead with what Will Taft's letter proposes. It does not address any of this at all, the report does not address it, and that is a very major question to me.

Generals do not operate out there alone. They need the support structure of enlisted, other officers, subordinate officers to them if their command is to mean anything other than just a nice little enhancement when they go down to address the local Chamber of Commerce or something. The general is coming down instead of the colonel. So, there are some questions that we obviously need answers to.

Plus, the report does not address one very key element to me—and this above all else—and what will the proposal do to enhance combat effectiveness of the United States of America. That is my bottom line. Is combat effectiveness to be enhanced by this proposal or will it be neutral or will it be hurt.

I do not know the answer to that, but I have yet to see it proven or I have yet to be convinced that this really will enhance our combat capability in this country. So that and other questions will come out during our hearing and undoubtedly in discussions later on.

Before we get to our next witness, I want to make one thing clear, and that is I understand and I do fully respect the need for general and flag officers in our military services. That was my highest aspiration by far at one time in my life in 23 years in the Marine Corps. I never made it. I do not bear any malice toward anyone for not making it certainly, but I had a good military career, was proud of that service, and I held people with stars on their shoulders in reverence and that does not overstate it by very much. They ranked with and just below the Deity and not necessarily in that order all the time in the Marine Corps when I was in. So nobody respects the need for and the duties performed by and the importance of general and flag officers any more than I do.

But the business of national security demands we have a strong system of leadership at the top, no question about this. I am familiar enough with the system through experience to know that it is most effective when it is not overburdened from the top over rank, it is lean and mean, ready to go and that is what we will be looking for as we proceed on this issue.

So, we do have a full plate of issues to deal with on the subcommittee. I have outlined a number of them in a letter I sent to Secretary Carlucci. This particular issue is not one of them. However, it is one that could consume a considerable amount of resources on both sides of the river. I think we need to mutually satisfy ourselves as to whether or not such efforts will turn out to be worthwhile, and this hearing will allow us to make that judgment. I look forward to airing that issue fully.

Senator Wilson has not arrived yet, but we will get his comments when he does arrive. He is the ranking minority member on the subcommittee, and we look forward to his comments and questions also.

We would like to welcome our witnesses. They are Hon. Grant Green, Assistant Secretary of Defense for Force Management and Personnel, accompanied by Mr. Larry Byrne, who is National Practice Director, Government, the Hay Group; Rear Adm. Roberta L. Hazard, USN, Director of Manpower and Personnel for the Office of the Joint Chiefs of Staff; Lt. Gen. Allen K. Ono, U.S. Army Deputy Chief of Staff for Personnel; Vice Adm. Jeremy Michael Boorda, USN, Chief of Naval Personnel; Lt. Gen. John I. Hudson, USMC, Deputy Chief of Staff for Manpower and Lt. Gen. Thomas J. Hickey, Air Force, Deputy Chief of Staff for Personnel.

Our witnesses have submitted written statements that we will include in the record if there is no objection, and they can be either read or can be commented upon in the interest of getting on to questions, and if there is no objection, all the statements will be included in the record in their entirety.

Mr. Green, I guess we would start off with you, but first I would like to see if Senator Wilson has any comments and, Pete, as always we appreciate your cooperation and your wisdom in these areas and we look forward to your comments.

Senator WILSON. Thank you very much, Mr. Chairman. And I apologize both for my tardiness and the fact that I am going to have to leave very shortly because of a conflict. In the interest of time, let me summarize my statement and I would ask that it be placed in the record in its entirety.

Let me first welcome all of the distinguished witnesses, particularly Admiral Boorda. Congratulations and welcome aboard.

The subject that we are addressing today is not a new one. I can scarcely think of any manpower issue that has consumed more time or attention over the past decade. In fact, probably the cost of all of the studies that we have made would finance a flock of general and flag officers. But I think that really the cost is not the factor that drives our concern here. It is really the efficiency and what is the appropriate level of command.

Just as we do not think something that can be done well by a chief petty officer or other non-commissioned officer should be assigned to an ensign, in the same way we are concerned with what is appropriate in terms of the requirements of flag and general officers to particular command responsibilities.

We have before us today a new study, the Hay study. I think it is probably well done, but it is premised upon an assumption that the current force structure is a correct structure and I am not at all certain that we can make that assumption.

It is our expectation that we will have from the Department some legislation on this subject but, again, it is not clear that they are prepared to examine force structure with respect to determining the propriety of the ratios and the ratios that exist differ from service to service.

So, Mr. Chairman, we find ourselves I think in the position of having studied this for a long time and still not being able with the data available to us, perhaps, to go forward at this time. The study that we have before us is one that asks us to assume that existing organizations and staffing patterns are correct, and that is an assumption I am not prepared to accept at this time.

The Department has advised the committee that it does intend to transmit proposed legislation based on the report that it is doing that we have not yet received, but it has not yet done so.

So, I think that this inquiry is timely, but I am not certain that it is anything but a beginning because I think that we are necessarily in a position of having to wait for what we expect from the Department by way of justification for their legislation. But I commend you and I know that this is a subject of intense personal interest to the chairman and hopefully this hearing will be useful if not conclusive on the subject of what is an appropriate level of flag and general officers commensurate with the kind of responsibilities that we are seeing. What gives rise to questions—I apologize for missing the chairman's opening statement. Having missed it, though, I suspect that it took note of the fact that other actions taken by the committee have resulted in about a 10,000 personnel reduction over a period of recent years, which we do not find reflected in any reduction in flag and general officers, and I think that that fact alone, while it is not necessarily dispositive, is an indication that there is need for this inquiry.

Mr. Chairman, I will allow it to proceed and I submit my statement for the record. Thank you.

[The prepared statement of Senator Pete Wilson follows:]

PREPARED STATEMENT OF SENATOR PETE WILSON

Thank you, Mr. Chairman. I join with you in welcoming our witnesses today, and I look forward to hearing their testimony.

The issue of the correct number of flag and general officers to be serving on active duty has been in contention since before the time I came to the Senate. I sometimes wonder if this issue will ever be solved if we in Congress continue to search for the "perfect" answer to the question.

I venture to say that there have been more man hours expended on the study of this question in the Pentagon than any other single manpower issue in the last decade. I also venture to say that the cost to the taxpayers of the numerous studies on this issue has far exceeded what would have been the cost to the taxpayers if Congress had merely allowed the Department of Defense to determine and establish its own flag and general officer structure.

I say this because the pay for all two, three, and four-star officers is the same; the difference in the pay of one and two-star officers is less than $500 a month and the difference in pay of O–6's and one-star officers is about $1,000 a month. I have little doubt that the cost of the man hours expended every month working this issue far exceeds the costs of the additional pay and allowances that would be required if there were 100 or 200 additional flag and general officers on active duty.

If the cost of additional flag and general officers serving on active duty is not our primary concern, then why do we give this issue so much attention? In my view, the answer is efficiency. And in trying to determine the most efficient flag and general officer structure, we must consider the most efficient structure for the entire force.

I am afraid that what has happened over the last 15 years or so is that we have permitted, or in some cases required, that the responsibility for various duties be assumed by officers at higher and higher levels of command.

This was one of the reasons that I supported the mandatory officer corps reductions over the past 2 years. If duties can be performed by a senior non-commissioned or petty officer, they should not be assigned to an ensign or a 2nd lieutenant. Likewise, if duties can be performed by an O–6, then we do not need a flag or general officer to perform them.

In order to determine the number of senior officers, we need to have a valid justification for the force structure of the entire officer corps and, to a lesser extent, the non-commissioned and petty officer corps. The final resolution of our review of the size of the officer corps over the last 3 years will have the net result of reducing the officer corps by more than 10,000 officers by fiscal year 1990 from fiscal year 1986 levels.

Yet, apparently a reduction of 10,000 officers did not reduce the Department's requirement for flag and general officers by even one. We find that the Air Force has at least 500 more colonels on active duty than required, but apparently not one too many brigadier generals. Something just doesn't track?

We now have a new study prepared for the Department by the Hay Group, and I believe that the Hay Group has done a good study, at least as far as they were permitted to assess issues relevant to the question at hand. But any study is only as good as the assumptions upon which it is based and, in this case, there is one assumption which I fear renders this study seriously suspect.

It is the assumption that general and flag officers requirements "would be based on current organization characteristics and staffing patterns without regard to the correctness of the structures." There is a DOD IG report, which this committee asked for in March of this year but has not yet received, which casts substantial doubt upon that assumption.

Furthermore, another result of this assumption is that in determining the appropriate "cut-point" between O-6 and O-7, the existing "cultural bias" of the services about what jobs must be O-6 positions is given too much deferrence. Without challenging the justification of O-6 positions, how can we be asked to believe that the next higher level of responsibility requires an O-7 position?

Mr. Chairman, where we find ourselves is that for 5 years the Department transmitted proposed legislation to the Congress which would have established the number of flag and general officers positions on active duty based solely on active duty force size, assuming that the existing, but differing, service ratios of flag and general officers to force size were correct.

Now we have a study that abandons that approach, but asks us to assume that existing organization and staffing patterns are correct, an assumption I am not prepared to accept at this time. The Department has advised the committee that it intends to transmit proposed legislation based on this report, but has not done so.

How such legislation would propose to adopt the Hay methodology, with its numerous factors, into a workable legislative formula which would automatically alter the number of flag and general officers as force size or organization structure is altered, is not clear.

In short, Mr. Chairman, it appears that the Department is not prepared to make a recommendation to the Congress about how flag and general officer positions should be legislatively managed and, quite frankly, we do not have enough valid information to act on a recommendation, even if one were made. Hopefully, this hearing will be the first step in obtaining sufficient information upon which a satisfactory solution to this problem can be based.

Senator GLENN. Thank you very much, Senator Wilson.

Mr. Green, if you would proceed with any remarks you might wish to make, and all of your statements will be included in the record in their entirety.

STATEMENT OF HON. GRANT GREEN, ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL, ACCOMPANIED BY LARRY BYRNE, NATIONAL PRACTICE DIRECTOR, GOVERNMENT, THE HAY GROUP

Mr. GREEN. Thank you, Mr. Chairman, Senator Wilson. We appreciate the opportunity to meet with you this morning to discuss the Department's general and flag officer requirements.

As you know, since 1981, the Department has been authorized 1,073 general and flag officers. This number was the result of a congressionally imposed reduction directed in the fiscal year 1978 appropriations bill of 6 percent below the number of generals and admirals that existed in 1978. By any measurement, that reduction was a clear indication that Congress believed there were too many generals and admirals in the Department of Defense. I am reasonably confident that that sentiment still lingers today.

For our part, the Department has tried vigorously to preclude that reduction and has consistently maintained since that time and even before that more, not fewer, generals and admirals are required to fill senior command and leadership positions of the Department of Defense. In March of 1982, the Department, responding to congressional directions, submitted a comprehensive legislative proposal for the management of general and flag officers in the Department of Defense. That proposal addressed the accountability for general and flag officer numbers and provided a mechanism for the annual revalidation of the billets they occupy. Though submitted to subsequent Congresses, the legislation has not been acted upon, and the Department's authorized level of general and flag officer billets has remained at the inadequate level of 1,073.

Underlying the 6 percent reduction was, as I have stated, the belief that there are too many generals and admirals. The inactivity in regard to the submitted comprehensive legislation was caused, we believe, by the perception that the Department did not have a uniform, rational, or credible method for determining general and flag officer requirements across the services and in the joint arena.

Within the Department it has been convenient to sit back and accept the status quo of 1,073 G/FO's rather than risk the additional reductions that could occur following a request for relief.

Over time, however, emotionally charged issues like frocking and three- and four-star distribution have surfaced and resurfaced, but always on the periphery of the central question: How many generals and admirals does the Department need to legitimately conduct its business?

In 1986, faced with a growing need to obtain relief from the 1,073 ceiling or internally reallocate those authorizations among the services and with the desire that each military department participate more fully in the joint arena, the Department of Defense made a conscious decision to address this question head-on. Given the perceived lack of credibility for the individual service methods of determining general and flag officer requirements, the lack of commonality among the service methodologies, and the need to establish a uniform, accurate requirements determination process for us both within the Department and in a dialogue with Congress, we were determined to develop and implement an acceptable zero-based methodology for establishing position requirements that could consistently be applied to each service and the Joint Staff. We subsequently contracted with the Hay Group to conduct this study.

The Hay Group was chosen because they are a recognized pioneer and leader in the field of job measurement and job analysis, both in the United States and throughout the world. They have established unique levels of credibility and acceptance as the leading human resources consulting firm by virtue of their broad and extensive practice, which includes work with Federal, State, and local governments; foreign military; and international organizations.

Hay clients include 55 percent of Fortune 500 companies, over 60 percent of the Forbes 500, as well as thousands of other private sector firms in the U.S. and throughout the world. Hay was decribed by Fortune magazine as, "Having the most celebrated method of job evaluation." I just do not know how we could have done much better.

Hay's data bases comprise the largest body of information pertaining to job size, job relationships, and organizational structures in the U.S. private sector. This information includes job evaluation data on Senior Executive Service positions in DOD and other Federal departments as well as data on hundreds of other public sector jobs. The magnitude of the data base enables valid, compelling comparisons between the size of general and flag officer positions and senior management jobs in the private sector and other public sector entities.

Hay has an international reputation for integrity, credibility, and objectivity. Consequently, it has a significant history of conducting important job measurement and compensation studies for the Federal Government. On a number of occasions Hay executives have appeared before the Congress to explain their methodology, advocate particular findings and recommendations, and serve as expert witnesses.

The purpose of the study under review here was to develop a reliable, valid, credible, and defensible methodology and a set of standards to assist the Department of Defense in providing oversight of the individual service requirements for general and flag officers. Specifically Hay was to develop a common methodology and general framework for determining general and flag officer requirements. Once that was developed, the services and JCS, assisted by Hay representation, used this methodology to determine valid general and flag officer requirements across DOD, determine distribution of general and flag officers by grade, and distinguish general and flag officer positions from officers of field grade. We elected this zero-based methodology in an effort to establish each general and admiral requirement on its own merit without regard to previous rationale or justification. Hay was to evaluate the statutory formula for the distribution of general and flag officers and develop a system for annual review and oversight of these requirements. Finally Hay was to transfer to the Department of Defense the expertise necessary to maintain the process via an annual revalidation program.

Each of the services and the Joint Chiefs of Staff conducted separate studies as part of the OSD umbrella study, using the Hay-developed methodology. Each billet was evaluated by a panel of senior military and Senior Executive Service personnel. The Army, Navy, Air Force, and Marine Corps evaluated service-specific billets; all other flag officer positions (OSD, defense agencies and unified and specified commands) were evaluated by the OJCS panel. Hay monitored all panel deliberations to provide expertise in an added measure of quality assurance.

The panels, using Hay-developed and tailored guide charts, rated job size and importance against the criteria of technical and managerial ability required, problem-solving responsibility, and resource responsibility with the latitude to commit dollars and people. The data that was subject to the rating system came from interviews with or questionnaires prepared by the incumbents of the billets under review. Once the panels had completed the rating process, Hay subjected the preliminary results to a rigorous quality assurance and correlation process which allowed those results to be compared against Hay standards. This final analysis allowed Hay to identify anomalies or inconsistencies and establish general and admiral billet cutoff scores.

The final step of our evaluation was to ensure the process accommodated all pertinent data. As good as the process is for determining senior level executive positions, Hay recognizes it does not account for factors unique to any given organization. Therefore, the review design allowed the services and the Joint Staff to submit caveats as to why factors unique to the military such as NATO and international agreements, statutory requirements, and inter-service parity should allow certain positions to remain at their present grade in splite of the Hay findings. The ultimate decision on each billet was made by OSD. It is important to note that the result of this caveat process was a net decrease in the final number of validated general and flag officers as compared to the Hay recommendations, not an increase.

The total number of general and flag officers validated by the review is 1,436. This indicates that there are 363 positions in the Department which require generals and flag officers that are being filled with an officer of lower grade or the responsibilities of that position are covered by dual-hatting (one officer filling two positions).

In sum, not only does this study provide a zero-based validation of existing general and flag officer requirements, but it also provides the capability to validate requirements uniformly across the Department in the future. We will require the services and JCS to validate annually 25 percent of their requirements using the standard accepted methodology.

The question now becomes: Where do we go from here? Two new developments will no doubt cause us to adjust the number of validated positions from the 1,436. We will incorporate the effects of ongoing and proposed force structure reductions as well as those resulting from our internal Department of Defense Study of Unified and Specified Command Headquarters, commonly known as the Vander Schaaf study. The main point is, however, that any reductions which emerge from these later actions should be subtracted from the number of general and admiral billets the Department requires, not from the 1,073 positions currently authorized.

After years of being accused of lacking a coherent method of identifying flag and general officer requirements and constantly robbing Peter to pay Paul in order to stay within the current ceiling, the Department of Defense has with the help of Hay developed a valid, credible requirements determination process for general and flag officers. We have provided the evidence to support our long-standing claim that we have substantially more requirements than are currently authorized. We recognize that bringing this matter to your attention at this time risks further reductions. I know there are those who still, for reasons unexplained, believe there are too many officers wearing stars in the military today. No amount of data, no proof to the contrary will be accepted. However, I am also sure that the Hay study and the Hay-OSD caveat process have provided, perhaps for the first time, an answer to the initial question: How many generals and admirals does the Department need? Once all the factors are considered, it is the intention of the Secretary of Defense to submit a legislative proposal that accurately portrays the Department's command and leadership needs. Secretary Carlucci believes we have demonstrated those needs, and I am confident that the oversight process we have established will ensure future requirements that are equally as valid. I hope that you will accept our rationale and our methodology and will endorse this long overdue adjustment to the numbers of generals and admirals needed to effectively command and manage our forces.

Thank you again, Mr. Chairman, for your invitation to appear. We will be happy to answer questions.

Senator **Glenn**. Thank you, Mr. Secretary.

We have been joined by our committee chairman, Senator Nunn. Do you have any opening statements, Sam, or comments?

Senator **Nunn**. No, thank you, John.

Senator **Glenn**. We are just getting to the questions. Now, would any of the rest of the witnesses want to make statements, Mr. Green, before we proceed?

Admiral Boorda, go ahead, please.

STATEMENT OF VICE ADM. JEREMY MICHAEL BOORDA, USN, CHIEF OF NAVAL PERSONNEL

Admiral **Boorda**. I submitted a statement for the record. I would like to summarize a little and also comment on one thing. We do not have flag grade creep, Mr. Chairman. In the Navy, we are at the lowest percentage of flag officers versus end strength that we have been at in 20 years. If you take the Hay billet listing, it lists 344 in-service billets for Navy; that number could have been a good deal higher. There were some 46 Navy billets that they felt met the test for flag or general officers. However, when you look at the caveat process, we said no, we would rather have senior captains in those jobs. They are flag-making billets. Those billets are where people compete and show their stuff, and you would fill those in any regard with captains. Additionally, they had 20 billets that we had on our flag list that they said probably do not make the cut, and they ought to come off.

We do not reclama any of those. We had none of those filled with flag officers, by the way, and they came off the list. So, all Navy's actions were to reduce the Hay number, not to add to it.

Well, they also said that we should have about 50 billets in joint and unified commands. How are we doing today? We have 258 Navy-authorized flag officers. We are filling 67 percent of the in-service billets. The other 33 percent are filled in another way. We are filling 56 joint and unified command billets or 112 percent of the Hay fair share for Navy. We have gotten the word on jointness, and we are doing the best we can, but we are doing that at the expense of managing and leading the uniformed service inside Navy.

I can give you an example. In some of our commands, where we really are not over-ranked, we have had to, in order to fill these joint and unified billets, fill some very good, solid, I do not think debatable, Navy billets with two-star officers instead of three-star officers. It is just indicative of where we are going.

I will give you some examples of those. The Deputy Commander-in-Chief, Atlantic Fleet, and the Deputy Commander-in-Chief, Pacific Fleet—we really have the operating Navy divided into those two parts—are both two-star officers. Both are three-star billets validated by Hay, validated by every study that I know of that has ever been done.

The commander of our Space and Naval Warfare System Command is a two-star. We would like him to be a three-star. The amount of money that he administers, the decisionmaking he does, the size of his job clearly indicates that, but we chose to put that three-star position in the Joint Staff.

The President of our War College, the Superintendent of our Naval Academy and the Chief of our Naval Reserve are all two stars. The Chief of the Naval Reserve administers and in fact commands 50 Reserve admirals who would not serve unless we mobilize, but he is a two-star officer because we do not have a three-star number for him. He is the same rank as the people he is in charge of.

I think we could argue about numbers, we could argue about organization, we could argue about Hay standards, but clearly the Navy does not have any flag grade creep. Clearly we are trying to be joint, and we are doing it at the expense of blue suit naval officers in our service. Thank you.

[The prepared statement of Vice Admiral Boorda follows:]

PREPARED STATEMENT OF VICE ADM. J. MICHAEL BOORDA, U.S. NAVY DEPUTY CHIEF OF NAVAL OPERATIONS FOR MANPOWER, PERSONNEL AND TRAINING AND CHIEF OF NAVAL PERSONNEL

Mr. Chairman and distinguished members of the subcommittee, I appreciate the opportunity to appear today to discuss the results of the Hay Study and Navy's flag officer requirements.

The issue is an important one for my service. Obviously the numbers of individuals we have in top management and leadership positions have a direct impact on today's readiness as well as our Navy's ability to meet readiness requirements of the future. We have contended that our authorized flag officer strength did not permit us to fill valid flag positions. That discussion has been ongoing for several years but the situation, that is authorized flag officers versus valid flag officer needs, has not changed very much over time. For that reason Navy welcomed the opportunity to participate in a study which would be recognized as an authoritative statement of valid flag officer billets. The Hay Study was just what we needed.

The Study results show that Navy is, indeed, on the short end of the authorization versus billet equation. Hay determined that Navy has 344 billets within our service that meet the flag officer requirements. In addition, Navy participation in the Hay Study requirements for the Joint arena equates to an additional 50. Thus the total Navy requirement as validated by Hay is 394 flag officers.

It may be interesting for the subcommittee to know that this number could have been even higher. When we received Hay's initial findings we found they had included an additional 46 non-flag major sea commands as flag positions meeting their criteria. These positions included those of aircraft carrier commanding officers, and commanders of destroyer, submarine and amphibious squadrons. Navy went back to Hay and pointed out that, even if such billets were included in our total requirements, we would choose to fill them with senior captains who were competing for flag selection. As a result, Hay dropped those billets and the numbers I quoted earlier were the result. It may also be interesting to note that Navy did not ask Hay to add any positions that had not made the flag billet listing based on Hay criteria. In summary, we not only support the findings, we worked diligently to ensure that the end result accurately reflected what Navy would do if granted the additional billets even though our actions resulted in a lower final number.

So, Hay says Navy needs 394 flag officers to meet in-service and joint requirements. What do we have today? We are allocated 258 flag officers of DOD's 1,073 total. Against the Hay number of 344 in-service billets we have as of today 233 flag officers and selectees assigned. We are filling 67 percent of the Hay validated in-service positions. With a Hay number of 50 joint positions we presently have 56 flag officers and selectees serving in joint flag officer positions. Navy is filling 112 percent of the Hay joint flag billets suggested for our service. In order to fill those positions, several of them at very senior flag levels, we now have seven three-star jobs filled by rear admirals. Those positions are the Deputy Commanders in Chief and Chiefs of Staff of both the Pacific and Atlantic Fleets, the President of our Naval War College, the Superintendent of the Naval Academy, the Director of Space and Naval Warfare Systems Command and finally the Chief of Naval Reserve. We are doing our best to comply with the provisions of legislation to strengthen "jointness" and, from a review of our actions, I believe we are succeeding. We are doing it at the expense of in-service positions and it is clear that we could do even a better job both within the Navy and in the Joint arena if Congress were to approve the Hay recommendations.

The Hay Study verifies our long-standing position that we require additional flag officers in order to manage a growing and technologically advancing fleet and to participate fully in congressional and Department of Defense efforts to strengthen the Joint/Unified organizations. We wholeheartedly support the findings and request that you favorably endorse Hay's total requirements study.

Thank you for the opportunity to express Navy's views. I would be most pleased to respond to any questions you and the members of the subcommittee may wish to pose.

Senator GLENN. Any other comments from anyone else? Admiral Hazard.

STATEMENT OF REAR ADM. ROBERTA L. HAZARD, USN, DIRECTOR OF MANPOWER AND PERSONNEL, OJCS

Admiral HAZARD. Mr. Chairman, Senator Nunn, I would like to read my statement by virtue of the fact that the joint arena represents some particular interest, I know, to the members of your committee and is also a very clear indication of some of the concerns that you addressed in your opening statement.

Senator GLENN. How long is this statement?

Admiral HAZARD. It is about 4½ minutes, sir.

Senator GLENN. Fine. Go ahead.

Admiral HAZARD. I appreciate this opportunity, sir. As you know, the joint arena, encompassing principally the Office of the Secretary of Defense, the Joint Staff, the unified commands, and Defense Agencies is staffed and led by officers of all four military services. The last several years have witnessed an increase in the number of activities within this area, due to several factors, including the increase in complexity of modern warfare, the need to achieve economies and flexibilities through centralized management of certain functions, and the need for improved interoperability and effectiveness in joint operations. New commands such as Special Operations Command, Space Command, Transportation Command and the On-Site Inspection Agency attest to this growth. Further, the Goldwater-Nichols DOD Reorganization Act of 1986 enhanced the status and the responsibility of the Chairman of the Joint Chiefs of Staff and the war fighting CINCs, adding new missions and expanding those already ongoing.

The growth in commands and missions has led inexorably to the creation of new senior military leadership and management positions whose functions are to achieve and/or maintain organizational effectiveness and efficiency. In view of these developments, the OSD decision to conduct a flag and general officer baseline study, using the well-reputed Hay Corporation methodology, was regarded as propitious, since it would help to determine whether we had properly numbered and sized our top level military leadership requirements within this dynamic joint environment. The Joint Staff, specifically my directorate, coordinated the joint area study of flag and general officer requirements that was conducted between September and December of 1987. We examined a total of 251 flag and general officer billets that were then encumbered by flag and general officers as well as 30 O-6 level joint billets that were assessed for the purpose of clearly differentiating job size and responsibility at that key cut point.

Questionnaires were distributed to billet encumbents, eliciting their views of the requirements of their positions in relation to Hays' three critical criteria: namely, technical/managerial knowledge, problem-solving responsibility, and resource responsibility. Beyond that, we required the contractor to interview, personally or by telephone, the majority of our study participants in order to facilitate understanding of the process and the study itself.

The next step, as you know, involved job evaluation boards which reviewed billet incumbent inputs and other information relative to each position. Under the guidance of the contractor, board members scored each O–6 relative to the three key criteria and, ultimately, assigned a total score comparing each position to others previously studied.

Our joint evaluation boards were comprised of senior officers of each service who were familiar not only with their own service standards for F/GO billets, but with the joint arena as well, since each had served at least one tour in that environment. The process next called for the Hay Group to analyze and format that data in order to produce a uniform measure of job complexity. This data product was then provided to the Joint Staff for review and for caveat as appropriate. The Joint Staff coordinated a detailed caveat process for all joint area billets at issue, soliciting input from commanders of activities, the services, OSD, and Agency directors to obtain relevant information. We found that joint arena billets, to a greater degree than many service positions, were impacted by a number of factors extraneous to the Hay criteria. We believed these factors to be of such importance as to warrant full consideration in the final grade determinations and our Hay advisors agreed.

Those factors included provisions of law that necessitate a flag or general officer incumbent, international agreements and protocols which exact F/GO assignments in specified billets, and representational or parity considerations that are especially significant in discharging interagency and intergovernmental roles which many joint officers perform.

The Chairman of the Joint Chiefs of Staff and his service Chiefs repeatedly reviewed the joint billets, the Hay input, and related caveats prior to the Chairman's making his final recommendation to OSD. OSD, after fully considering the Joint Chiefs' input, validated a total of 225 joint billets.

The Joint Staff is satisfied with the scope, focus, and thoroughness of the Hay study and methodology. We found the opportunity to dialogue with all concerned parties during the caveat process facilitated better understanding of those military leadership factors which extend beyond basic assessment criteria that are applicable to all large organizations, and allowed these factors to be appropriately considered. As evidence of our commitment to the study findings, the Joint Staff has already begun to implement its recommendations. We have distributed the joint results to the senior officer managers within the services, requiring them to implement grade changes with the rotation of billet incumbents. Similarly, we have apprised our activity commanders regarding overall study results. Indeed, we are already preparing for the first revalidation study to which Mr. Green alluded earlier.

In conclusion, Mr. Chairman, we believe that the attainment of a joint F/GO base line and the identification of a reasonable methodology which we can continue to apply in the future represent major progress toward the credible requirements system that both you and we have sought. Our joint arena results prove that it is a methodology that would eliminate billets or reduce grade levels as well as support their increase. In that light, it affords the Department, the joint arena and the services a valuable internal management tool and a uniform measuring device to identify total requirements. We ask your support for the results of our effort to apply this internationally recognized methodology. We also seek your continuing awareness that changes in total requirements will continue to be necessary in order to meet the rapidly altering exactions of a dynamic defense environment.

Mr. Chairman, this concludes my statement, and I will be pleased to answer any questions you may have subsequently.

Senator GLENN. Thank you very much, Admiral. Any other statements?

We are on a vote right now, so we are going to have to leave for the floor when the next set of lights goes off and buzzers sound up there. General, if you could be brief, we would appreciate it.

STATEMENT OF LT. GEN. ALLEN K. ONO, USA, DEPUTY CHIEF OF STAFF FOR PERSONNEL

General ONO. Sir, I am Al Ono, the Army Deputy Chief of Staff for Personnel.

The Army asks for no increase in general officer positions at this time. Our general officer positions were reviewed by the Hay Group methodology, and we are satisfied that the methodology that was followed is thorough and is sound. The job measurements followed the standards of know-how, problem solving, and accountability. The result of the review was that the Army needed 78 more general officers for in-service requirements. However, a review of the Unified and Specified Command Headquarters is underway in the Department of Defense, so therefore, we feel that the timing is not right, and it would be inappropriate for the Army to ask for any fixed number of additions until that review is completed.

I am not implying, Mr. Chairman, that the Army is fat in general officers. In fact, the Hay Group process did indicate that we needed 78 more general officers. The Army went first in 1985 under our own initiative to look at our own general officers and civilian Senior Executive Service positions. Our purpose was to help better use the constrained resources of general officers and senior civilians. It was not intended to be used as a means to request additional general officers or SES civilians. It was intended to assist us in internally establishing Army priorities. The Hay Group did, in conclusion, identify a need for 78 more generals. However, the Army requests no increase until that manpower review of Unified and Specified Command Headquarters is completed.

[The prepared statement of Lieutenant General Ono follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL ONO

Mr. Chairman, I appreciate the opportunity to appear before your committee and am privileged to serve with my colleagues at a time when personnel issues are of such vital interest to our Nation.

The Army supports the methodology and results of the Hay study which identified a need for 78 more Army general officers. The Army does not take this position lightly. I am keenly aware that we have recently made deep cuts in the commissioned officer ranks and in our enlisted force, based on budget constraints. But the Hay study results are clear, and document a realistic shortfall at the senior leadership level.

I have appeared before this committee before, and I believe your intent is clear: You want the services to exhibit responsibility and self-discipline, and I can report that we are doing that. The Hay study demonstrates a clear requirement for additional executive resources and I assure you that whatever the number of general officers the Army is authorized, we will be loyal custodians of the public trust.

Thank you, Mr. Chairman.

Senator GLENN. Thank you. Any other comments, General Hickey, General Hudson?

General HICKEY. No, sir, we are ready to have our statements in the file and ready to answer your questions.

General HUDSON. I would submit a very short statement, sir.

Senator GLENN. Good. It will be included in the record.

[The prepared statements of General Hudson and General Hickey follow:]

PREPARED STATEMENT OF LT. GEN. JOHN I. HUDSON, U.S. MARINE CORPS, DEPUTY CHIEF OF STAFF FOR MANPOWER

Mr. Chairman, distinguished members of the subcommittee: It is a pleasure to appear before you to address the recently finalized report prepared by the Hay Group.

We strongly support the overall findings of the Hay Study of General Officer Requirements and Distributions in the United States Marine Corps. The Marine Corps has fewer authorized general officers than validated requirements.

Today the Marine Corps is authorized only 70 promoted general officers and nine frocked brigadier generals to meet both internal and external requirements.

The Hay Study findings, as amended by caveats from the Office of the Secretary of Defense, provide validation for 82 internal general officer positions. This study does not consider the Marine Corps' obligatory participation in 15 external billets.

We are confident that studies using different methodologies would yield substantially similar results: that our requirements clearly exceed our authorizations.

This situation of too few authorized generals has forced the Marine Corps to dual hat or leave unfilled some general officer positions. In other instances, important billets have been either continuously or intermittently filled by officers without sufficient experience for the billets' responsibilities. Such circumstances are not in the best interest of the Nation, the Department of Defense, or the Marine Corps.

In closing, I emphasize our support of the Hay Study findings and urge you to support the Department's forthcoming request to increase the ceiling on general and flag officer authorizations. Thank you.

PREPARED STATEMENT OF LT. GEN. THOMAS J. HICKEY, USAF, DEPUTY CHIEF OF STAFF, PERSONNEL

Mr. Chairman and respected committee members. It is again my pleasure to appear before you and offer Air Force views on the vitally important issue of general and flag officer requirements. Since Mr. Green's remarks have succinctly outlined the historical background that led up to the Hay General/Flag Officer Study, I will confine my comments to the methodology, its application, and how it correlates to long-standing Air Force requirement validation processes.

The Air Force embarked on the Hay Study at the direction of OSD. The sole purpose of this effort was to apply an independent and credible outside review process to each service's general/flag officer requirements determination procedures. The resultant data was to be used by OSD to document aggregate Department of Defense requirements for congressional testimony such as this and to possibly justify

G/FO legislative grade relief. The Air Force fully supports the Hay methodology as a respected, consistent and time-tested job evaluation process. We approached the requirements review tasking seriously and carefully which translated into a significant expenditure of time and resources. Position reviews were thorough and objective with appropriate "over the shoulder" scrutiny and assistance by a trained Hay consultant. The results, as certified by the Hay Corporation, have confirmed that the Air Force's internal requirements review process has been extremely effective and accurate. Every existing Air Force encumbered general officer position was validated by the Hay methodology as being a bona fide senior officer requirement—in fact, the Hay Study confirmed that an additional 135 Air Force unfunded (no GO assigned) requirements could be filled with general officers.

In summary, the Hay Study employed a proven methodology which was applied objectively and which clearly documents a need for additional general/flag officers within the Department of Defense. This concludes my remarks—I would be pleased to address any additional questions you may have.

Senator GLENN. Mr. Byrne, do you have any comment before we proceed?

Mr. BYRNE. No, Mr. Chairman.

Senator GLENN. I think we had better break here and go vote and then come back and then we will have a little continuity once we get started on questions.

[Recess.]

Senator GLENN. The hearing will be in order.

Mr. Green, we had a letter from Mr. Taft, the Deputy Secretary of Defense. It says that the Department intends to submit legislation to Congress or request an increase from the current GFO ceiling of 1,073 as imposed by the 1978 DOD Authorization Act to the number validated by the study with the caveat changes that he also notes there that will be part of that.

I would first like to ask—does the President, who is the Commander-in-Chief, support this increase in general and flag officer strength that will be recommended?

Mr. GREEN. I cannot answer that, sir. We will submit through the normal process to OMB what we believe to be the final number. Obviously it is not going to be 1,436 because it will be modified by the final results of the Vander Schaaf study plus accommodate the force structure reductions that we have taken over the past several years. I cannot tell you what the number is, but it is the position of the Department of Defense, at least, that an increase in general and flag officers is justified.

Senator GLENN. This has not been, as I understand it, then, from what you are telling me through the scrubbing process of OMB. Nor has it been to the President, nor has anybody signed off on it except it is DOD's intention to submit legislation, is that correct?

Mr. GREEN. That is correct.

Senator GLENN. I find it disturbing that we have a report here that is some three-quarters of an inch thick, a tremendous amount of work done on it over 18 months. I find no place in this, and correct me if I am wrong, where the word combat is even mentioned, is that correct?

Mr. GREEN. I do not know whether that word is specifically mentioned—I assume you are getting to the combat effectiveness issue.

Senator GLENN. I am getting to the issue that we have one reason for having a Department of Defense and that is it is supposed to fight the battles for this country. This means that their organization reflects that. Their organization does not drive that.

The organization reflects the combat needs and how we address them and nothing else. And I find it disturbing that here we are setting the officer strength at the general and flag officer level and apparently, according to the ground rules that I read and the assumptions that were made that the Hay Group was not to consider any changes in structure nor, I gather, was any word of combat effectiveness to be considered.

Mr. **Green**. Well, let me try to respond to those, sir.

First of all, Hay was to look specifically at the level of leadership needed to support effectively and efficiently a current organizational structure, and I will get into why we froze that in just a moment, if I might. I think we have to make an assumption that whatever the structure is, which incidentally is always being refined, goes toward supporting combat effectiveness, whether it happens to be tooth or tail.

I think we also have to accept a given that warfare today is increasingly complex. Admiral Hazard mentioned the technology aspect of that. She mentioned the increases in joint requirements that have occurred over the last 3 years, particularly since the Vietnam era. I would say that the increase that we are asking for in general and flag officers does improve our combat effectiveness and certainly increases the level of our peacetime preparedness.

Senator **Glenn**. How does that increase combat effectiveness? Tell me that. Expand on that a little bit. I will only ask one question if I could interrupt here.

Mr. Byrne, has Hay done an assessment and a management study on an organization where the order is given where life and death——

Mr. **Bryne**. Mr. Chairman, the Hay Group has done a number of studies involving individuals who put other individuals at risk, in harm's way. We do this in a number of other military environments, for example we review the military officer corps in Australia and in the United Kingdom. We also do a number of police forces, and we do fire fighters. As you can see, we do any number of people who are at risk in terms of the danger that they face.

Senator **Glenn**. Go ahead, Mr. Green.

Mr. **Green**. Let me just continue, sir. And I go back again to this peacetime preparedness because I think that is an important issue. The increased effectiveness and the lethality of modern warfare, the complexity of it does not permit us the luxury of a prolonged period of mobilization. We cannot train-up good leaders quickly. Today I think if you accept the Hay methodology and the outcome, which is a separate question, but if you accept that, we do not have enough general and flag officers to fill critical combat billets such as vice commanders of Navy numbered fleets and commanders of Marine amphibious units. And I am sure each service could give you other examples of validated billets, combat billets that are not presently filled by general or flag officers.

Numerous officers are dual-hatted, sharing their time among two or more separate jobs each of which Hay has determined should require a general or flag officer. I think as far as organization goes, as you well know, sir, the services and the Joint Staff are very dynamic. They are constantly reorganizing. You have seen indications of that in just the past few years with Special Operations

Command, Transportation Command, and Space Command, and so on.

To permit us to establish a baseline to assess our GFO requirements, we determined in full agreement with Hay based on their methodology, that we needed to freeze the organization at some point. Otherwise we would have been chasing our tail throughout the whole study period. The review process furthermore allows us, regardless of what the force structure is, to validate requirements at any point. The force structure can change, and we can still overlay the methodology on top of it.

The services and the JCS are constantly striving to achieve an optimum force structure, and it is never going to be perfect because the threats to this country, the support to our allies, our national security objectives are constantly going to change and hopefully the force structure will change to accommodate those changes.

Senator GLENN. Is it your position that we were underflagged during the Vietnam war?

Mr. GREEN. Absolutely. A study that was done in 1968 indicated that we needed nearly 1,700 general and flag officers during that period of time. We were fighting both the Vietnam war and running the peacetime military operation. We had 1,352, I believe.

Senator GLENN. I just question why it takes more admirals and generals to wage peace than it goes to wage war.

Mr. GREEN. I am not sure it does.

Senator GLENN. That is what you were about to propose.

Mr. GREEN. If you take the 1,436, yes, we intend to ask for more than we actually had during Vietnam, but we are not asking for more than we felt were required during the Vietnam era.

Senator GLENN. In his letter of June 17 transmitting the Hay study to the committee, Deputy Secretary Taft said not only does this study provide a zero-based validation of existing GFO requirements, but it also provides the capability to validate the requirements uniformly across DOD in the future. Yet, one of the basic assumptions in the study is, and I quote, "GFO requirements would be based on current organization characteristics and staffing patterns without regard to the correctness of the structures."

Can you tell us how a zero-based validation can possibly be accomplished with this basic assumption, especially in view of the explanation in the Hay study, and I quote from the Hay study, "A zero-based study is one in which all requirements are established anew on their own merits without regard to previous rationales or justifications."

Mr. GREEN. If I could ask Mr. Byrne to comment on that.

Senator GLENN. Sure.

Mr. BYRNE. Mr. Chairman, it is not unusual for the Hay Group to be tasked to look at an organization as it stands before it is reorganized or changed. In fact, many of our private sector clients come to us when they are in trouble and ask us first to look at what the job content of the positions they have is before they reorganize. We are involved in this study in doing a zero-based look at what the job content requirements of individual positions are. Once you have established what the current organization's requirements are, you then have a baseline which allows you to move and change those organizations and to determine the impact of those changes on the general/flag officer requirement.

Senator GLENN. You did not look at the total organization. That is one of my problems with this whole thing. You looked at the general and flag officers in some sort of splendid isolation here. We did not take into account what this is going to do to colonels and majors and captains and everybody on down the line, and I do not see how that works. If this is just to give somebody a little bit more prestige, no more pay, no more people to help them, no more anything, it accomplishes nothing as I can see. In fact, it is a detriment. All it is is kicking people upstairs as far as the braid they wear and little else. How could we possibly recommend this and how can DOD—I would ask Mr. Green, I guess—how can you possibly come over here and give this kind of a change and not address other force structure changes? I just do not see how you can do that. Who works with the new generals? I guess we will take the 250 extra colonels we had out of the Air Force in the MAC thing, the infamous MAC episode, and we will assign them as aides to the new generals. Maybe that is some assistance we can give them, but where do we do that? I do not see where we get the captains, the majors, the lieutenants and the enlisted, we have not addressed that. Each general has got to have somebody around there to do something that he is charged with doing.

Mr. GREEN. In most cases, sir, the enlisted personnel, the majors and the colonels are there in the organization, but you have not——

Senator GLENN. And so all we are going to do is make the new rank and that is it? No new pay, no new anything?

Mr. GREEN. Pay is a separate issue, and I do not disagree with you at all that pay needs to be looked at. But the purpose of this study was to size and measure each job based on the three principal factors that Hay used: autonomy, technical requirements, and the resources managed; and to then normalize those jobs across the services and make a determination which one should be filled by general officers. We are not proposing that additional general officer commands necessarily be established where you have to then create a support staff to fill it out.

We are trying to justify general officer positions or general officers for positions that are currently in existence.

Senator GLENN. In the officer requirements study you sent over earlier this year, you included a discussion of the manpower requirements determination processes of the services and in this discussion of zero-based validation of requirements, the Army section indicated, and I quote, "Missions are reviewed for overlap with other organizations and within the organization the organizational structure is reviewed for layering and adequate span of control."

The same logic is discussed in the sections for all the other services, in language similar to that. Do you agree with the quote I just recited and if so, how can that possibly be reconciled with the conclusion by Secretary Taft that the Hay study is zero-based and should be zero-based?

Mr. GREEN. I guess I do not understand the question, sir.

Senator GLENN. Well, we are saying within each individual service that missions are reviewed for overlap within the organization, without the organization, reviewed for layering, reviewed for adequate span of control. The same logic is discussed for the other services, also, and we agree that that is the way it would go and should go and should be analyzed, I presume that all these things are taken into consideration on setting the validation requirements, the manpower requirements, which is what you sent over to us and yet we are saying we do not really consider that within the Hay study, that that—what is excess or what is not excess is not really included in the Hay study at all.

Mr. **Green**. No, I think that is wrong. It was considered in the Hay study.

Senator **Glenn**. Well, not by what Mr. Byrne just told me a minute ago that they went with the existing structure. Their mission was not to change existing structure or question it, they just went with what they had. Yet we are saying that what they are recommending is something that is on a changing situation by your own report to us. How do you do that?

Mr. **Byrne**. Mr. Chairman, if I might just speak to that issue, Hay does in the process of having the jobs evaluated look at the job content and at the job context as part of the evaluation process done by senior military officers within each organization; and as the jobs were reviewed, if questions of redundancy of positions were raised, if there were jobs that appeared to be performing the same task, those were clearly looked at and evaluated and the jobs were segregated out so that there was not a redundancy of duties evaluated in two separate positions. And that is a standard practice that we use.

Senator **Glenn**. Are any changes to the force structure contemplated as a result of the Hay study?

Mr. **Green**. Not that I know of as a result of the Hay study specifically. Certainly the Vander Schaaf study will evolve and result in some changes to force structure, I am sure, as will ongoing reviews that the services and the Joint Staff are continuously conducting.

Senator **Glenn**. Well, the Vander Schaaf study I believe is a more true zero-based study. It says do we need the structure we have out there, wherever it is, how can it be improved, do we need this number of officers, that number of officers, whatever number and what is the organization and questions the organization. Now, that came out in February of this year. Why was the Hay Group not charged with incorporating that into their recommendations also if this is to be used as a basis for proposing to us, apparently, that we need 363 new generals? I can tell you where we are five over right now, so we can cut that to 358.

The Western Command out there—I do not know—General Ono may wish to address that or may not wish to address it in this form. I do not plan to get into a Western Command discussion, but we have had the Vander Shaaf study came out so we do not need that command, basically, and that is something we have thought for some time, here. We just have not pushed it that hard, but we may next year.

Mr. **Green**. First of all, to answer your question——

Senator **Glenn**. And incidentally that command instead of being abolished, the Army asked to make that a four-star position for basically one division.

Go ahead. I am sorry I interrupted you.

Mr. **Green**. First of all, to answer your question on why Hay did not include the Vander Schaaf, the timing was not right even though Vander Schaaf himself was finished in February, Hay was wrapping up and the Secretary determined that he was not going to accept the Vander Schaaf study without further analysis.

The Vander Schaaf study was sent to the Joint Staff and, in fact, I just got it from the Joint Staff officially last night. Realize that the Vander Schaaf study was not designed to look at billet size but it was an organizational study to examine other aspects of DOD manpower and define areas where it might be possible to reduce manpower levels and overhead costs by adjusting force——

Senator **Glenn**. But my point is how do you set a structure when you are prepared to come in and recommend a specific number of 363 new generals and we are not taking into account the requirements for reorganization that the Vander Schaaf study is pointing out?

Mr. **Green**. We are going to do that. We are not going to come in with a final request until my staff reviews all the numbers. The JCS has just completed their analysis of Vander Schaaf, and my staff will soon begin theirs, and we have the report due to the Congress on the 1st of December about the results of Vander Schaaf. Whatever the number is, it will certainly be rolled into the Hay number.

Senator **Glenn**. And will all you recommendations also address the colonels, the captains, the majors, the lieutenants and down the line or do you assume that they are all there in the proper number now, that all we need to do is up the rank structure—that is all we need to do, is that correct?

Mr. **Green**. We assume, with modifications that the services constantly do, that the colonels and majors are there in the proper numbers.

Senator **Glenn**. And all we need to do is up the rank and that is it? That solves a lot of problems. What does it solve?

Mr. **Green**. It adds increased senior leadership and, I think, combat effectiveness.

Senator **Glenn**. The same people will be there in their existing grades, how does that add leadership?

Mr. **Green**. Well, it adds whatever a general or flag officer brings to this position—experience, more leadership.

Senator **Glenn**. They have it right there, right now in their structure. How does just upping the rank a grade or two of people in an existing position, how does that add to the combat effectiveness for the country?

Mr. **Green**. Well, I think that is why we asked Hay to look at the jobs.

Senator **Glenn**. Well, Mr. Byrne, you answer it. He is tossing that hot potato to you. What do you say? How does it add to the combat effectiveness?

Mr. **Byrne**. Among the things we found were that—the span of control for many generals was broader than we would normally expect for good management. Specifically because the rank structure did not allow sufficient number, there were not enough generals, and so you found generals who have reporting to them 20 and 25 individuals, which is beyond, in our belief and in most management theory, an acceptable span of control.

Senator GLENN. Okay, if the span of control is too big where it is right now, then you say we are going to have to reflect an organizational structure that reduces the span of control which means then that we have got a requirement for new organizational structures for colonels and captains and majors and so on if the span is too wide. If the span is too wide there, it is too wide on down the road, too.

Mr. BYRNE. When we looked at the organization, we measured jobs that in many cases were O6 positions but were filling many of those functions. They were operating in our view in jobs as large as other generals' jobs, which eliminates the kind of problem you addressed. You had an organizational chart that said there are 25 but, in fact, there were positions——

Senator GLENN. You do not address organizational matters. You said that they are in place right now and that is the point I am making. They are in place. Nothing will change except their rank. And Mr. Green said the captains, colonels, everybody else are in place. All we do is take this one star and make him a two star, make a two star to a three star, take somebody that is running the academy and make him a three star instead of one or whatever we are going to do in that regard. Nothing else changes, no rank structure changes, but this somehow enhances the managerial capabilities and the combat effectiveness of the United States.

What you are telling me then in effect is that the people out there now in existing commands are not being listened to because they to not have the existing rank, an inflated rank. And if we have got someone in that position and their orders are not being adhered to and they are not being looked at with some respect and they are in a position of authority, then we have got deeper problems than upping the rank to try and cope with that.

Mr. BYRNE. Senator Glenn, if I may, we did not suggest that there were command problems—that people were not following orders. What we did suggest was that we looked at the jobs as they currently exist. The job content, the complexity with which the individual deals today. We did not change any of the jobs. We said the way these jobs are currently functioning is what we will measure. We compared them back to the private sector which was to be the standard for this study based on congressional guidance. We established how many jobs currently function at that executive level against the private sector. On that basis we found 1,449 total jobs, however not all the current incumbered jobs. In fact, we suggested some ought to be downgraded, but we found a total of 1,449 jobs that were currently operating in the structures in which they operate today at the level that would normally be comparable to senior executives in the private sector.

Senator GLENN. Did you take into account the pay and compensation of those private executives compared to the military?

Mr. BYRNE. We looked at the size of jobs and made comparisons based on people who were categorized as receiving short- and long-term incentive plans. We did not at this stage of the game do a study of comparison of pay. As it turns out, we will be submitting very shortly to the Department of Defense an analysis of the comparison of pay against similar private sector jobs.

Senator GLENN. That is going to be an interesting study. I will be glad to see that one come out because you are talking about people in the Fortune 500 and doing studies for the Fortune 500 and doing one for the DOD and you take your top level executive, your top 1,073 people in commercial life in this country, and general, I am glad to find that he is going to make a recommendation, you make $292,000 next year.

General HICKEY. I will accept.

Mr. GREEN. Sir, if I just might briefly—back to your combat effectiveness question——

Senator GLENN. That is why we should be making some changes there, not this thing of trying to put constellations on people's shoulders, in my humble opinion. I see it as rather a flimsy attempt to say okay, the job is worth more than we are willing to pay you to do, so we will put more stars so you get more attention around the O Club or someplace. You are not going to get more attention within your own command. If you do not have respect of your troops right now, you are not going to get it by putting another star on your shoulder. I can guarantee you that.

And I do not know what happens when you go to a joint meeting. Well, maybe you stroll in, you have got three stars instead of one that somebody else has, why you get a better seat at the table, maybe. We can play that game uphill all day. And I just do not see when you are not proposing any new pay, when you are not doing anything except saying people in their existing spots with no change in command structure are just going to be given an extra star just because we think it would look nice and we have always thought they should have it. I just have a lot of throuble buying into that one, thank you.

Mr. GREEN. Yes, sir. I think it is more than just looking nice, though. It is based on measuring the job. And we feel there are 300 and some-odd additional jobs which when evaluated and measured come out requiring a general/flag officer.

Senator GLENN. Let us take this right on downhill now. If you put a newmade three-star in there, fine, okay, and then he has got some two-stars, one-stars under him. Now, we have just elevated the rank up. Now, just continue that on downhill. How does this diminish the rank or the respectability or the believability or the command ability I guess I should be saying of the major in a squadron and the second lieutenant with a platoon now that everything has been inflated above him?

I think we should make all second lieutenants first lieutenants then, too, so they have more authority also. Are we short of first lieutenants? I do not know. Maybe we are. If we are expanding this whole structure now that has been in existence for a long time, we are now saying that up here at the top we are going to expand then the tendency is going to be to expand the rest of it, also. I do not see how you can come to any other conclusion but that when we do not take the whole force structure into consideration when we are talking about making 363 new flags. Every officer billet is going to be reduced by one grade in effect because we just kicked everyone uphill.

No more pay. We do not have a country that is grateful enough to want to pay you what you should be paid for your responsibility. That is carrying it a little too far, apparently. So you are not going to come in with a recommendation on that—or maybe you are, I do not know. I am planning to look into that next year, and you can be warned—not warned—advised in advance because I imagine your forte is separating out the flag ranks one from the other instead of saying once you made a star, thank you, and that is great. You get nothing more to put in the bank for you and the wife and the kids and to send the kids to college from now on until the services and you part company. They are all the same, whether you become the Joint Chief of Staff or not, and I think that is absolutely ludicrous. And we want to address that next year.

To me that would be something meaningful to the flag ranks.

Mr. GREEN. I think you would have our support there.

Senator GLENN. I do not doubt it. I would hope I would. If I do not, we are in deeper trouble than I thought we were in.

Mr. GREEN. Well, it will kind of offset this one.

Senator GLENN. Offset, my foot. You are getting in deeper and deeper.

Explain to me again how this improves combat effectiveness.

Mr. GREEN. I think that the simple answer is that you have got to assume that our total force structure, whether it be the combat arms or the combat service support side of things, supports combat effectiveness. We need both. So, I think you have to make that assumption.

You can argue whether we need more tooth or more tail, and those are reasonable arguments.

Senator GLENN. But if we are saying we are changing the structure and that structure is going to give us more efficiency and a better span of control, as Mr. Byrne said, if that was in part of this maybe it would make a little bit more sense to me. But we are not proposing that. We are not tying this to change in structure, to any change in force. We are saying we take people in their existing grades, right where they are serving right now, we say we are giving them more prestige by giving them another star, and that is the only thing that it will do. It does not provide more pay, it does not give them a broadened command authority, it does not change their command, it does not change the officer corps under them in that command one iota, not according to what you just said a little while ago. It does not do anything except it is supposed to give them more prestige in their existing position.

Now, if you are tying this whole thing to the Vander Schaaf study and a restructuring like that, now that may make sense—otherwise as I see it the combat effectiveness is not enhanced by this one iota.

Mr. GREEN. Well, I think Mike just asked to respond to that. I think that you will see, sir, that within the services, they do not have, based on the Hay methodology and some of their own analysis, enough flag officers in critical combat billets.

Senator GLENN. Well, maybe we need to authorize you to redistribute the billets within DOD, then.

Mr. **Green**. Then I go back to my first point; you are not accepting the fact that a balance of combat service support-type foundations contribute to overall combat effectiveness. The argument whether we need more in the combat side or more in the combat service support side——

Senator **Glenn**. You cannot separate those out. They are one, part and parcel on one package, and you cannot separate those out or you are getting in deeper trouble than we are in now. And you and I have had many discussions about combat support and combat service support in the medical field. We are in deep trouble and I wish we were concentrating on some things like that instead of this, myself. I would like to see your efforts over there going in some of those areas rather than in these issues.

Sam, jump in here whenever you want to.

Senator **Nunn**. Go ahead.

Senator **Glenn**. What we are into is this is not to change the force structure one iota. What we are doing, we are not changing the ratios of colonels and so on down the line. We are saying by what they propose and what the Hay study proposed that—and correct me if I am misinterpreting any of this—no change in structure such as the Vander Schaaf report, which we will get one of these days. But it takes people in their ranks right now, ups them a couple—wherever it is—where it is justified because of comparable responsibilities to some of the Fortune 500 people that the Hay Group have looked at before.

And what I have been trying to define here is how this increases combat capability, and I do not think it does. In fact, all it does is make a spread-out of ranks. Now, we are going to have more up here, and that is going to spread out the responsibilities on down the line so that individuals down here somehow, I guess, although they are not going to be increased in numbers, their authority, I suppose will be decreased or increased or something, and I would hope that in whatever you submit to us you address all these other force stucture problems, because that is how we are going to address it. I can guarantee you that right now.

This will not be taken up in some sort of splendid isolation all by itself as I said a little while ago.

Admiral **Boorda**. At the risk of adding fuel to the fire here, there is a difference in pay between a captain and a rear admiral, between a colonel and a one-star, and it is rather significant. It is not enormous, but it is significant.

Senator **Glenn**. Okay, you are talking about from the colonel to star, where I was talking about the change that I am going to work on next year, the change within the flag ranks.

Admiral **Boorda**. The majority of the changes that Hay recommended in the Navy, they looked at jobs and said hey, this captain is doing a job that has all the right——

Senator **Glenn**. Just to be clear on this, what I was talking about a while ago is whether you increase it from one star to two-star, two-star to three-star, and so on. All you get there is some differences in allowances for entertainment or something like that.

Admiral **Boorda**. Yes, sir, I understand that only too well.

Senator **Glenn**. I understand the colonel and the flag business.

Admiral **Boorda**. Many of the changes in the Navy affect the ones that we care most about—were in fact captain to rear admiral, and there is a pay change there, but there is more of a change than just prestige. It means a longer career, it means a potential for much longer naval service, and a chance to rise to the very top. That is more than sitting at that particular job for that particular day and what it would change this afternoon.

And if you look at the kinds of jobs that Hay recommended we all, most of them, the vast majority of them are in-service combat-related positions, moving a captain position to an O7. I think there is a significant difference there in compensation, in career planning, in future worth and the chance to use that future worth in the service. I do not think it is just how many stars you wear on your shoulder that afternoon.

Senator **Glenn**. Well, with the Hay Report, as I understand it, I believe the Navy is recommended for an increase of 136 admirals under the final OSD decision on that after the caveats and all.

Now, you apparently are operating with a shortfall of rank right now. What effect has that had on your combat readiness? Are you less able to go to sea or less able to go to war right now because you are operating under the structure you are under?

Admiral **Boorda**. We are gapping positions. We are really going after key joint positions. We have paid attention to Title IV, and I have not changed the question. We have paid attention to Title IV and there are many, many requirements in Title IV that if we want to comply, we have to take it out of somewhere else. The somewhere else we are taking it out of is the uniformed Navy. That means we are gapping billets. That means we are dual-hatting flag officers where clearly a flag officer must be there. I cannot talk about the specific billet, but I recommend flag assignments to the Chief of Naval Operations. I recommended this morning that we gap an operational billet using another flag officer to watch over it until I can get another guy in there because I do not have another one.

Senator **Nunn**. I wanted to ask one question. You might have already answered it, but I would like to hear the answer to it. My understanding is that one of the basic assumptions of the study is that "GFO requirements would be based on current organization characteristics and staffing patterns without regard to the correctness of the structure." Is that right?

Mr. **Green**. Yes, sir.

Senator **Nunn**. If you do that, what is there to study? If you make that assumption, you have just assumed away the study, have you not?

Mr. **Green**. Well, in order to measure the specific jobs, we had to freeze the force structure at some point. Otherwise, it is like trying to paint a moving train. As you well realize, the services and the Joint Staff organizations are very dynamic. They are constantly going through reorganizations. But to permit us to establish a baseline to assess the GFO requirements, we and Hay agreed that we have to freeze it.

Now, that does not mean that this is the organization forever, nor does it mean that 1,436 or whatever number we come up with is forever. But in order for Hay to go in and interview people and go through the process that they went through along with the services and the JCS, we had to freeze the organization.

I might also add——

Senator NUNN. And staffing patterns, according to this, you are freezing the staffing patterns and the organization.

Mr. GREEN. Yes, sir.

Senator NUNN. I do not understand what you have studied if you freeze staffing patterns.

Mr. BYRNE. Senator, if I might, Hay studies job content. It studies what it takes to do the job. We looked at specific jobs as they exist today. We have all seen enough reorganizations which are done based on perception not goals where the reorganizations did not work. They frequently do not work because there is not an understanding beforehand of what it is that it takes to have good performance in the job until you have established what the real job content is. And only——

Senator NUNN. What is the staffing pattern if that is not what you just said?

Mr. BYRNE. You are looking at what the job itself does. What does it take to do the job? What do I need to know in order to do it? What am I accountable for? What kinds of problems do I solve?

Senator NUNN. Is that not a staffing pattern?

Mr. BYRNE. It may be.

Senator NUNN. You just assumed it was correct in this assumption.

Mr. BYRNE. We looked at what was there. The fact that we looked at what is there tells you now how big that job is, how difficult it is. When you go then to look at an organizational change, you have a base to say if we are going to change things, we now understand what the components of those organizations are so that more effective reorganization and change can occur.

One of the major problems that we find in organizations that proceed ahead to simply reorganize first and then try and figure out what kinds of jobs——

Senator NUNN. I am talking about staffing patterns. But if you have a job that a colonel can do and you have a two-star general doing it, is that not a staffing pattern?

Mr. BYRNE. And where we found that, we in fact reported that those jobs ought to be filled by colonels.

Senator NUNN. You did not go by that assumption, then, because the assumption said that you had assumed that the current organization characteristics and staffing patterns—you had assumed that they were correct.

Mr. BYRNE. The staffing had to do with the command structure, how many they had, not that the specific rank structure that was there was correct. As a matter of fact, we recommended in a number of cases downgrading the positions which were not functioning at the level necessary to make them commensurate with the other jobs we were looking at.

But the staffing pattern that was solid was how many people were there, not whether or not one job was an O6 or one job was an O7. We did not freeze that. We froze—where we collected data we collected how many people were in an organization.

Senator **Nunn**. But you always have to have more people if you have another general. I never heard of a general yet that did not have somebody working for him or her.

Senator **Glenn**. They say that is not the case. What they are going to do—and I went into this a little while ago, they say that they are going to take the people in existing spots and up their rank, but there would not be any change in rank structure under them.

Senator **Nunn**. That defies military history. Why would you want to be a general if you do not get anybody else working for you?

Mr. **Byrne**. What we suggested, Senator, is that the jobs that we looked at and said were big enough to be general were already functioning jobs in organizations which indicated that they were of a size to be comparable when compared with other jobs that were already wearing stars. Their organization already existed. I cannot guarantee nor can Hay nor can anyone else that other organizational changes that impacted since we did the study will not affect the numbers. But as you look at the issue of compensation and whether or not that ought to be changed, clearly it seems to us in terms of equity and fairness that if you have like jobs one of which is currently at O6 and one of which is currently at O7 in terms of complexity of function, you would want to have this study done first so that when you adjusted Hay, you would make sure that people are paid equitably based on what the functions they were performing.

What we attempted to do in this study was to determine what are the real requirements today, the number of senior officers that are currently working in the Defense Department throughout based on what their tasks are today.

Mr. **Green**. Sir, if I might, what is really key to remember when we talk about or discuss whether or not the methodology is valid when applied against the current organization?

I think what is so important to remember is that the process and the methodology that we now have in place permits us to overlay this on any organization. We do not have to go through a horrendous process when we form a transportation command or a special operations command. This methodology can be overlaid over that and general officer positions adjusted accordingly.

Senator **Nunn**. I guess I understand that. I will not belabor this, Mr. Chairman. I know you have already been over it. I guess I understand what you are saying on organizational characteristics. You are saying you have got this—you can change the organization but I do not understand the staffing pattern. It looks to me like that goes right to the heart of what the study is supposed to be. And if you assume that the current staffing patterns are correct, I still repeat my question. I do not know what you studied.

Mr. **Green**. Bobby, is that what you want to——

Admiral **Hazard**. I was going to address the organizational freezing. I think the presumption in freezing the organizational structure and presuming its adequacy is a very fundamental one, and I understand the source of your consternation. However, number one, it was a matter of starting someplace, obviously. It is also a matter of intellectually recognizing that the services and, most especially—I can talk to the joint arena—we continuously address the adequacy of the organizational structure.

For example, within the joint arena in compliance with Title II, we conduct on a biannual basis the UCP reviews in which there is an exhaustive review of the mission, the associated functions and relatedly an organizational review. Now, before you jump in to tell me if you are doing such a good job on that, Admiral Hazard, why has Mr. Vander Schaaf surfaced his concerns. I would have to tell you that, of course, manpower, organizational structure, and everything that we are talking about is not a science but rather an art, and we continue to learn a great deal about it with the progression of time.

I would also tell you that in reference to what you said, Senator Glenn, that Mr. Vander Schaaf's study while touting the merits of a zero-based study is by no means a zero-based study. He advocated that strongly, but he identified areas that he thought might be advantaged by such an approach as opposed to actually executing that approach. So I think it would be leaping to conclusions were we to predicate necessarily that his positive draw-down is necessarily in and of itself better than the other organizational studies that have gone on, conducted by services and/or the joint arena in recent years. I think that remains to be looked at, as Mr. Green said, and it is being looked at very assiduously by OSD as well as the Joint Staff. The point is that I do not want to leave you with the impression that organizational structures have not been looked at and that we simply presumed their adequacy just for purposes of this study.

The presumption is that they are repetitiously, redundantly and productively looked at. And, as living proof of that, of course, we have recently stood up, within the joint arena a number of commands and you have addressed them, such as SOC, such as SPACE, such as TRANSCOM to meet organizational exactions. I wanted to clarify that particular point for you.

Senator GLENN. The Hay study proposed an increase of 376 GFOs from the current level. That was modified by the services to 402. You came in with a final decision of 363, and that comes up to about a 34 percent increase, and this is all done now supposedly to make the services better—that indicates that we have a shortfall of 34 percent in our GFO staffing. How has combat readiness been affected by the situation we are in now? Are we going to be 34 percent more combat efficient or some X percent more combat efficient now if we go to this new structure?

Mr. GREEN. I think generally we are going to be more combat effective for the reasons we mentioned before.

Senator GLENN. We are not changing structure one iota. We are just upping the ranks within their existing jobs. That is what you said a little while ago. How does that improve combat effectiveness?

Mr. GREEN. What we are doing is filling some critical combat jobs with general or flag officers.

Senator GLENN. As opposed to colonels or whatever?

Mr. GREEN. Yes, sir.

Senator GLENN. So, what we have done is upped their prestige, and that gives us additional combat effectiveness, is that right?

Mr. GREEN. It is not just their prestige.

Senator GLENN. What is it? And that is exactly the point. What if it is not just prestige?

Mr. GREEN. I think you have to accept the fact that the general or flag officer by virtue of his background or her background and experience contributes to the effective operation of a particular unit or group of units, that they have more experience and thus there is an increase in combat effectiveness.

Senator GLENN. Without any change of structure whatsoever all we have done now is take a colonel's billet and say it is now a brigadier's billet, and that changes the combat effectiveness of that unit?

Mr. GREEN. We also change structure.

Senator GLENN. No, we froze structure.

Mr. GREEN. We froze it when we measured the jobs. But the services and the Joint Staff can consciously and consistently tweak force structure and in many cases it is far more than tweaking it.

Senator GLENN. Your position, then, in answer to my question would be we are less combat efficient today because we have not done this in the past.

Mr. GREEN. I believe so, yes, sir.

Senator GLENN. Does everybody agree with that?

General Hudson, you have been quiet over there all day. Do you think we are less combat efficient today? You observe other services, not just the Marine Corps. Do you think we are less combat efficient today because we do not have more generals?

General HUDSON. I really have to just talk about the Marine Corps, sir. I am not going to tell you that we are less combat efficient now than we would be if we had more generals. But I would like to talk about something that I know that the chairman can relate to very easily.

We at the present time have no assistant wing commanders at any of our three wings. They are general officer billets. We are filling 16 external billets, and that is one of the reasons that we do not. But if we had additional general flag officers authorized, we would fill those kinds of billets.

With regard to the upgrade of some billets that are already generals, our MEF commanders of I MEF and III MEF are two-stars and so are their major subordinate commanders in the wings and the divisions. If the commandant had two additional three-star billets, that is where he would use them.

Senator GLENN. It is not three they are proposing. The Marine Corps plus-up under this study, under the Hay study, would give you 25 more generals. That is a heap more generals. I would ask it in the reverse. What effect has that shortfall in generals had on the combat readiness of the Marine Corps today.

General HUDSON. I do not think that it has had a significant effect on the combat readiness of the Marine Corps.

Senator GLENN. Then the increase in number of generals would not have a significant increase in combat capability either.

General HUDSON. I believe there would be some increase, but I think the word significant would have to be left off.

Admiral BOORDA. Senator, if I could, let me give you a Navy example I think a Navy aviator will relate to. We now man our numbered fleet chiefs of staff with captains. We would not just put a star on that captain. He does a lot of hands-on leadership, a lot of decision making at sea in those jobs. Sixth Fleet did that, of course, during the 1986 time frame.

Right, now, we have a captain in there, and we would put a post-major command captain, a guy who perhaps had an aircraft carrier or a destroyer squadron, something like that. If we had another flag billet, we would probably get an ex-battle group commander in there, a guy that had all that same experience that that captain had plus one more tour as a carrier battle group commander. Right now we do not have the flag billet. If we need the flag officer someplace else, we send him someplace else. We would get some increased combat readiness for many of those jobs. The captain billet just does not let us put that kind of experience in there.

Senator GLENN. Well, the Navy is in a little different position, I think, than some of the other services on this. You have been viewed, I believe, as shorter on some of these areas than the other services.

Senator NUNN. May I ask one question, Mr. Chairman? Has anyone taken into account the cut in force structure that has taken place this year based on DOD's cut?

Mr. GREEN. Sir, before we come over with a final number, right now we talk 1,436. But before we come over with a number, we are going to take that into consideration as well as the Vander Schaaf study.

Senator NUNN. So that is not plugged in here yet?

Mr. GREEN. No, not at all. In fact, as I mentioned to the chairman, I just received last night the JCS analysis of the Vander Schaaf study. We have to go through it with my staff, and then we will look at the force structure cuts that we have taken over the last couple of years and see how that impacts on the final G/FO number.

Senator GLENN. I pointed out in my opening statement that the total active duty military personnel strength has come down by 40 percent since the 1968 Vietnam peak. G/FO strength has only come down 20 percent. What we have now is 4.9 general and flag officers per 10,000 troops versus 3.8 per 10,000 in 1968. What we want now is 84 more than even I guess we had at that peak in 1968, and that is supposed to add to combat efficiency, I guess, is that right, even though we have a smaller force? That will be more flag-heavy?

Mr. GREEN. Yes, sir, but our requirement in 1968 was almost 1,700 even though we only had 1,352.

Senator GLENN. Well, okay. Another one of the assumptions made in the Hay study also is that this was a study for a peacetime force or words to that effect. Correct me if I am wrong, Mr. Byrne, it was to be a peacetime study.

Mr. BYRNE. Peacetime, non-mobilized.

Senator GLENN. How on earth did we set general and flag officer and the numbers of them strictly on a peacetime basis without considering what happens if we go to war just befuddles me. I do not see how we make an assumption like that. And if OSD gave you that as an assumption going in for your study, I believe that was misleading where you should have gone.

Mr. **BYRNE**. Mr. Chairman, if I may, there are two issues there. One, we were establishing a baseline, and the guidance from OSD was to look at it as it currently was in a non-mobilized environment. The issue of how one would look at a wartime environment would obviously be dependent on the type of war you were involved in, and there are multiple dimensions to that. In fact, the base structure we have now allows the Defense Department, we believe, to move more rapidly to see what the impacts of limited warfare or revised fields of combat would be.

Additionally, in looking at the positions themselves, the senior officers who sat on the evaluation committees did consider the relative non-mobilization of the forces, and so you see some positions that are similar with different ranks. For example, some Army jobs in the United States did not make the G/FO rank while similar jobs overseas did because they operate in a different kind of environment. So, there was a consideration about the nature of the situation in which the position operated. While it is non-mobilized, it is not "a peacetime environment" where there is no conflict anticipated or no conflict to prepare for.

Mr. **GREEN**. Those kinds of contingencies, sir, were discussed in the various service and JCS panels. If we had worst-cased a scenario, we would have come up with a significantly higher number of general flag officers than we did.

Senator **GLENN**. We are operating with a total force concept and if we go to war, we have got the Guard and Reserve playing very vital roles and you have committed and we have committed to studying that total force concept here over the next year or so because right now we have got medical problems that are warstoppers and we have brought this up many times in hearings. We have also talked about it privately with you and other people at the Pentagon, too. Whether we should be changing the missions and the roles that the Guard and the Reserve play versus the regulars. Should we be taking some of those functions back? Other functions to be given to the Guard and Reserve or whatever. And we need to look at that whole issue.

But if we go into combat, the total force concept will prevail. How many additional flag officers come in in that type of situation with the Guard and Reserve?

Mr. **GREEN**. I cannot answer that.

Senator **GLENN**. And that was not taken into account in the study?

Mr. **GREEN**. No, sir.

Senator **GLENN**. Well, how on earth do we know what we are doing with regard to combat readiness and combat proficiencies and efficiencies if we are not even considering that 50 percent of our force is going to be in the Guard and Reserve?

Mr. **GREEN**. I think we have two separate issues. The mix of Active and Reserve components and the current active force structure. What we have done is looked at that active slice and said assuming that is fixed——

Senator **GLENN**. But supposedly we are setting the whole thing up for combat. Supposedly we may have to go to war someday. That is the only reason we even have a Department of Defense. That is obvious. And yet we make proposals here to up the numbers of general officers in the Regulars and yet 50 percent of our forces are coming from outside the Regulars.

Now, all I am asking is if we go to combat, what percent are we overstaffed at flag rank in the Guard and Reserve? If we are, that more than makes up for what you are talking about increases here if we go to war. If we are not, are we understaffed, underflagged in Guard and Reserve? I do not know the answer.

Mr. **Green**. I do not know the answer either.

Senator **Glenn**. Should that not be taken into consideration in a study like this? Before we come in, I just automatically advocate that we are going to have 363 more flag ranks? Should we not consider what the Guard and Reserve is doing in the total force concept?

Mr. **Green**. And whether those G/FO's are fungible or not. One of the services may want to——

General **Hickey**. Mr. Chairman, if I might, certainly what you are driving at in terms of the ability to do combat and go to war and protect this country is the most vital aspect of what we do. I know that you most of all are concerned with the efficiency and effectiveness and the way we manage the taxpayers' dollars in peacetime, too, is a cogent, critical, significant part of what we also have as responsibility. I think it is fair to say that this particular study and what the Hay Group did was focused on what we currently have in a non-mobilized position and are we on a day in day out basis, are we fat, are we ripping off the taxpayer? Do we have more general flag officers than are warranted out there? And that is essentially what we asked the Hay company to come in and take a look at and tell us, good, bad, or otherwise.

What they came in and told us, sir, was that based on the way that they measure all other kinds of organizations, we are not fat. We are not ripping off the Congress. As a matter of fact, the taxpayers have been getting a very good deal because we have got a lot of jobs out there that under any other circumstances would warrant a flag or general officer but we are getting by by doing it with a captain or a colonel at O6 pay, and that is the whole sum total of this process. It may or may not. My personal judgment is it would increase combat readiness and combat capability to some immeasurable level if we had had more general officers in the past than we have had, and it will do so in the future. It certainly will not hurt it. But when you are asked to measure that, it is kind of like saying if we arbitrarily cut the United States House of Representatives by 15, would we have a measurable change in the effectiveness of Government.

Senator **Glenn**. Probably up.

General **Hickey**. Whichever side you take on that, it would be very difficult to measure, and that is our inability.

Senator **Glenn**. Carry it over to the Senate, and I could give you an even more definitive answer.

General **Hickey**. I am afraid to get any closer than the House of Representatives.

Admiral **Boorda**. Mr. Chairman, in the Navy if you look at the Hay study, it does not really change very much if we mobilize. The battle groups are set pieces of things. We are hardware-related. The hardware is not easily produced. The Reserve hardware joins with the new active hardware, and the numbers of flags do not increase much. If you look at our reserve flags——

Senator **Glenn**. The ratio of flags would be about the same?

Admiral **Boorda**. Yes, sir, the Selected Reserve and what we could get out of the Ready Reserves. Nothing would change very much.

Senator **Glenn**. How about other services? General Hickey.

General **Hickey**. Sir, I will have to answer for the record. I think that the ratios are a little bit thinner in the Guard and Reserve forces because they do not have the command infrastructures. In other words, they chop. They come on active duty, and they go to the component commands that are already there. So, I expect that they have fewer general officers, but I will have to answer that for the record.

Senator **Glenn**. If some of the generals and admirals in the Reserve are not fungible, than what are they doing in the Reserve?

Mr. **Green**. Different kinds of skills and different experiences because the Reserve and the Guard have a considerably different force structure in most cases than does the Active force. There are some similarities, obviously, but as you well know——

Senator **Glenn**. They are not that materially different, are they?

Mr. **Green**. I will defer to the services.

General **Hickey**. I cannot speak for the other services, but I think within the Air Force by virtue of the fact that several of our Air Reserve and Air National Guard forces have day in day out missions that are hand-in-hand with Active. I think ours are fungible. Ours would work and they will fit in. I do not have a denigration factor for those.

General **Ono**. On mobilization the Army would bring aboard the current 121 Army National Guard general officers and the 151 U.S. Army Reserve ones. I think you know the way we are structured. The National Guard ones are primarily combat-related, and in the Army Reserve combat support, combat service support-related. Again, we are prioritizing within the Reserve components only.

Senator **Glenn**. Let me say if they are incompatible on structure and incompatible on flag ranks compared to the regulars, then I have been under a gross misconception of the total force concept. We have to reexamine the whole thing because the role of the Guard and Reserve was that when we get in trouble, they fit in, and they do not fit in under some future reorganization. They fit in now and you send them a message or you call them up on the phone and say hey, we just got activated and report and it is tomorrow morning, and the Air Force, which is already doing some of these day in day out missions with the Guard or the Reserve anyway, they are ready to go and that is it. And their structure is ready to and their officer manning level is ready to go and everything is ready to go. And if that is not the case, then we have some bigger problems than just 363 more flags.

Mr. **Green**. I think that is the case.

Admiral **Boorda**. In the Navy what happens is existing organizations get larger on mobilization, the leadership job gets bigger and the Reserve generally comes aboard as the deputy to someone who is already there. I think we are organized a little differently and again, we are organized around battle groups that exist today.

Senator GLENN. How about organizing within the flag rank? I would like to address that for just a minute here and not go on too much longer. But I agree with the conclusion in the study that the current formula in law which requires at least 50 percent in one-star grade, 35 percent in two-star, not more than 3.75 percent in the four-star grade for each service, that is too rigid. That is why we gave you some limited authority last year, to make adjustments between the services at the three- and four-star grades. We gave you a little bit of flexibility on that that you did not have previously.

Justification for some of the grades you have validated for specific positions. For example, the Hay study initially validated a two-star requirement of each of the service academies. OSD changed that to a three-star requirement. Each academy has about 4,500 cadets, relatively fixed curriculum and staff. Why do the service academies need a three-star superintendent as opposed to Hay's two-star recommendation as opposed to operating with a one-star which they have in the past.

General ONO. I can address West Point. We did review the Hay Group's evaluation of the superintendent of West Point being a two-star, and we disagreed with it primarily because we considered the superintendent to be more than just a college president. The U.S. Military Academy is international representation, and it also is more than the immediate consideration of being an institution that just merely educates in that it has responsibility to develop officers of integrity and character to serve our Nation. The job measurement was underscored in our minds, and for that reason we appealed. We felt that the knowledge, the know-how, the problem-solving requirements of that position and the accountability that the superintendent has was more than what Hay determined it to be. So, therefore, we did recommend that the Secretary of Defense upgrade that position using the caveat process to the three-star level.

Senator GLENN. Also, it is prestige for the cadets and so on.

Mr. GREEN. It was parity across the three schools.

Senator GLENN. Well, there is not parity across the three schools. That was going to be my next question. General Ono and General Hickey, why do you need three general officers at your academies and the Naval Academy somehow scrapes by with one? Are they getting less education? Is it less prestigious to go to the Naval Academy than it is to yours? You have three generals to one, three flags to one.

General HICKEY. I cannot address the Naval Academy structure. The positions at the Air Force Academy that we have were validated by Hay. As a matter of fact, I will tell you that I think we have an exceptionally good general officer management position review system within the Air Force because not one position that we have a general officer in failed to be validated at that grade or higher by Hay.

It is true in our view and in like style with the Army we think that the superintendent of the U.S. Air Force Academy has a task of raising young officers as well as a college presidency kind of a thing, and it does, in fact, increase and become more important than some of the other resources and the other factors that were in there, and it was our judgment that that was worth doing.

I might point out to you that Hay, in fact, validated 47 in-service three-star billets within the U.S. Air Force. We currently only have 28. When we got finished with that, we went back and told the OSD in our caveats that we did not need all of those 47 and we turned back 14. So, we have upgraded one. In our judgment it was that important but, in fact, a very conservative approach on the other three-star billets.

Mr. **Green**. Also, in law we have got some folks at the military academies that we are required to fill with general flag officers. For example, the dean of the academic board at the Military Academy and the dean of faculty at the Air Force Academy are mandated general officer positions.

Senator **Glenn**. Let me ask this. Mr. Byrne, what was your validation for the academies? Just to carry this one step further, and I do not plan to continue this on into the afternoon here, but the superintendent at Annapolis is a two-star and the Army and Navy academies have one three-star and two one-stars. What did you validate for each of the academies. Did you treat them the same or is there a different requirement?

Mr. **Byrne**. I would have to go through each of the individual positions to look at the specific components of them. The Naval Academy does assign some additional things to the academy which resulted in a higher evaluation for the Naval Academy because of a greater involvement in overall coordination and training. They were different positions in our view when we evaluated them.

Senator **Glenn**. If they have higher requirements at Annapolis for that particular position, why are the three-stars at the Army and Navy and only a two-star at Annapolis?

Mr. **Byrne**. I would have to look at it individually.

Mr. **Green**. Sir, Hay validated a three-star for the Naval Academy and the Air Force Academy. The Navy just has not filled it; does not have a three-star.

Senator **Glenn**. Did you validate the two one-stars also for the Naval Academy? They do not have any now. They only have one flag rank.

Mr. **Byrne**. I do not remember what the number was.

Admiral **Boorda**. What we prefer to have at the Naval Academy, and I believe it is in Hay but I would have to go look, is a three-star superintendent and a one-star commandant, and there is a reason for that. These fellows, one, serve as role models, and, two, as I said before, you get a different individual than the individual you get now as a captain and a two-star. If you get a fleet commander, perhaps, who at the two-star level cannot have been a fleet commander, you can get a more experienced, older officer. You bring more to the job. I do not think we are talking about just adding stars to people who are there today. But we are filling the Naval Academy with a two-star admiral and we are filling the commandant billet with a captain who we think has a strong chance for selection or someone who is selected, and we are getting by. Good people manage to get the job done anyway. Are we getting it done the best way? I do not think so.

Mr. GREEN. And the third person at the other two academies is as a result of statute.

Senator GLENN. Okay, I want to end here very shortly, but I do want to get one other area. General Ono, I mentioned the Western Command earlier. The Hay study recommends five general officers for the Army's Western Command headed by a three-star general. At one time the Army advocated raising the head position to the four-star grade. We looked into this about a year ago. We found that the only significant Army forces that are in that command is the 25th Light Infantry Division in Hawaii. The command has no operational control of Army units in Korea or Japan, and this fact did not escape notice in the DOD/IG study which recommends the Western Command be abolished.

Why have you included five general officer billets for the Western Command when the DOD/IG study indicated the entire command was unnecessary and do you still believe the Army needs a four-star general to head the Western Command?

General ONO. Sir, the Western Command has two general officers or a lieutenant and a brigadier general. The 25th Infantry Division that is part of the Western Command has three general officers, a commander and two assistant division commanders.

The Western Command is—the way that we were—the way that we considered—it commands more than just that division and the forces there in Hawaii; it has some responsibilities to coordinate the efforts of all of the forces in the western Pacific.

What we were attempting to do in the reconfiguration was to include—was to expand the role of the Western Command and focus more on this very, very important theater in that area by including, perhaps, an additional corps to be under that command and perhaps another division.

Senator GLENN. Under the Western Command?

General ONO. Yes, sir.

Senator GLENN. They have no operation or control over the forces in Korea or Japan, nothing west of Hawaii, as I understand it.

General ONO. Yes, sir. At this time, none. Our attempt was to make it—it is, of course, the Army component to the Pacific Command there in Hawaii. We were thinking of—our proposal was to expand the role of Western Command, not just in the configuration that is now——

Senator GLENN. And what would come under that then? Would you put then the forces in Japan and Korea under that Command?

General ONO. Just the forces in Japan and perhaps the Sixth Infantry Division that is stationed in Alaska.

Senator GLENN. Well, let us know before you do that. We may have some comment on it. The DOD study, the Vander Schaaf study recommended doing away with that command.

General ONO. Yes, I understand that they have.

Senator GLENN. Rather than putting another level of control in, a core level of control of some kind—would it not be better to streamline that whole thing under one Pacific Command?

General ONO. That is what we were proposing, to put the Army component commander in charge of all of the forces that are employed in the western Pacific and to place under its control not only the forces in Hawaii but those in Japan as well as Okinawa and Alaska.

Senator GLENN. Well, I will not belabor that at this time, but we would want to look at that. When the Vander Schaaf study comes out, we want to look at that. Do you still favor making that a four-star?

General ONO. Our proposal is to continue that.

Senator GLENN. It is not a four-star now, but you would continue to request that that be a four-star?

General ONO. Yes, sir.

Senator GLENN. Even though you do not have the new organization in place?

General ONO. Yes, sir. It would coincide with the new organizational alignment, but of course the Congress has not acted on that.

Senator GLENN. It is not just Congress. How about Mr. Green? Has he approved that yet? Do you favor a four-star for the Western Command through OSD?

Mr. GREEN. I am not sure that that is something we get into.

Senator GLENN. You do now because that is one of our difficulties. You and I have discussed this over the past several years, these manpower matters and organizational matters. I think that the individual services have dealt with the Congress and we started changing that about 2 years ago, you recall. We are very adamant that we want one-stop shopping at OSD and I am tired of dealing with each service individually. We should not have to do that. The Department of Defense is supposed to run this and run it with one policy. We set the law over here and we should not have to—everybody gripes about us micromanaging. I do not want to micromanage. I do not want to have to deal with each service. I want to deal with manpower matters with your office over there and have the services managed through your office. That is the way it is supposed to run, and that is the way we want to see it run. So if you have not been into the four-star business for the Western Command yet, I would suggest you look into it.

Mr. GREEN. Yes, sir.

Senator GLENN. Last couple of questions here. The distribution of general and flag officers among the services and the OJCS that results from your final decision on the Hay study results—substantially alters the percentage that each service would have of the total. It stands to reason that if you agree with the revised distribution, then if we do not make that revised distribution, you would realign the current distribution of 1,073 to the revised percentages. The effect of such a redistribution would be a reduction to the Army and OJCS of 21 and 68 general and flag officer billets, respectively, and a plus-up of 50 for the Navy, 36 for the Air Force, and four for the Marine Corps.

OSD has the authority to realign general and flag officer positions among the services within certain limits. Now, if we do not go ahead with the expansion, do you intend to make realignments along that line?

Mr. GREEN. Sir, the Secretary is not yet ready to entertain reallocation. We are here to enlist the support of you and the other members of the committee for an increased level of G/FOs. We think that we have a serious shortfall. Each of the services shares in the shortfall, and we feel that the only way to resolve that is to authorize up to requirements. He is not yet ready to reallocate.

Senator GLENN. If we had the limits now, the limits are not increased, though, and you feel the new alignments would result in a certain percentage being Army and Navy and Air Force and Marine, would it not make sense to realign along to a proportional level?

Mr. GREEN. The Hay study is certainly not the only ingredient in that equation. There are other things that would have to be taken into consideration such as what the priorities of the Secretary are and, you know, it would not make a whole lot of sense to take general flag officers out of certain key jobs in one service to apply them to another service if the job they were going to was not seen as critical. But there are a number of factors other than the Hay study which would influence that redistribution if the Secretary decides to do that.

Senator GLENN. Well does anyone have any further statement on this? I think it is about time we end here. If anyone has any further statement—obviously we have a lot of questions on this and it is clear from the testimony that I am rather skeptical about whether a compelling case is being made to increase by another 363. We do not have all of our members here this morning, and this is a subcommittee, but we obviously have a lot of questions yet to be answered, some of the ones I have addressed this morning and others that we will be sending to you later on. The Hay study may be valid from some standpoints and I do not question its validity as applied to certain businesses and Fortune 500 and so on. I think the military is a different type situation and perhaps in some areas of management and logistics supply and things like that you have enough similarity that all these same things apply. But I come back to my opening statement, that I am concerned about combat efficiency and I am not sure that the Hay process addresses that adequately. Maybe you feel that it does. You said you have done these studies with a lot of other people.

I think some of the things like Western Command we could call into question the validity of the 1,073 and I do not know where we go with some of this in the future, but I think as you prepare to put some of this into legislative proposals that we better be working very close together on what we think is going to have to be addressed over here. I find little justification from the testimony that the increase in general and flag officers you seek will have any positive effect on combat readiness. I just do not see that that is going to occur. You just give people a little more prestige in their ranks, whatever, and that is somehow going to increase combat readiness.

We are not changing structure, we are not changing scope of control. We are not changing scope of control with that at all. All we are doing is changing the rank of a person who already has an established scope of control. And so it is prestige, as I see it, and that is about it. While the prestige is something and it is one of the factors of military life and any other life as far as that goes as how you are recognized in your chosen field—nevertheless I think you would like a little meat and potatoes and some additional pay to go along with that rank and that is going to be as important to the individuals as the extra attention is going to be from the additional star or whatever it is.

You are asking for 84 more than we had at the Vietnam peak, and I just find that is a little bit difficult to accept unless we have better justification for it than we have right now.

We want to look at the IG report along with this. We have had some problems with some of the officer strengths in the past as we are well aware. I hope we have gotten by that. We went through a period for a number of years, as most of the people in the room are probably aware, where as we increased our enlisted strength by whatever it was, 63,000 and our officer strength went up 31,000 in that same time period, we were at a ratio of 2 to 1, and so we took action on this committee to correct that, and I think we have that reasonably under control now after a lot of heartburn and—I will not go into all the details on that. I think most of you are familiar with that anyway. But I went through all the trial and trauma of being everything but a good guy until we got that one straightened out including meeting in the tank with the Chiefs over there, which we had quite a meeting one day about a year ago. But I think we are by that one, so you cannot really blame us over here for being a little bit skeptical of some of these things and questioning some of the rationale, if we are going to make changes of this magnitude in our structure. So, we would like to ask you to respond to any additional questions we may have and we would like to have the Deputy DOD, the Inspector General, Mr. Vander Schaaf, comment on the Hay study for the record. Has he made any comments on this or has he looked at this with the idea of how it fits into the study that he has made?

Mr. GREEN. Not that I know of, sir. He appealed one of his positions that was downgraded.

Senator GLENN. Well, he may have a sympathetic ear to us. His views I think would be helpful to the subcommittee, and I think what we want to do is ask him to comment on the Hay report as to how it fits in with his report because if there is to be any chance of making changes like we are talking about here, it is going to be in some overall consideration of realignments of responsibilities and so on. I do not think it is going to come just by taking people in their existing positions right now and saying with no pay change, no change of structure, no change of responsibility, no change in scope of control that that person is charged with that we just take them in grade and pretty much solely for prestige reasons because if they were out in the Fortune 500 company, they would be looked at as an executive vice-president instead of just as a vice-president or similar titles that that is adequate to really increase combat capabilities.

So, we will continue to monitor this with you. We hope we have good communication on it back and forth. I am not denigrating the Hay technology and methodology. I am sure it is very valid, but I am not sure it is all that valid with a combat organization, which is what we are concerned with here.

[Questions for the hearing record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN GLENN

HAY STUDY

Senator **GLENN**. Mr. Green, why do you need 3 generals in the Army and Air Force Exchange Service when it is a non-appropriated fund business activity?

Mr. **GREEN**. AAFES is a military command with a military mission and is responsible to the Chief of Staff of the Army and the Chief of Staff of the Air Force. In addition to its normal peacetime mission, AAFES has a wartime/contingency responsibility to integrate its resources with those of other military commands.

General officer leadership is provided by the Commander (major general), Vice Commander (brigadier general), and the Commander, AAFES-Europe (brigadier general). Although AAFES is primarily staffed by a civilian workforce, including 14 SES equivalent positions, executive control of AAFES is vested in a General Officer commander. The general officers provide the corporate leadership and strategic interface with military commands essential for assuring quality support both for and from the military community while generating optimum earnings. They also assure AAFES responsiveness to wartime contingency requirements. Senior level leadership is critical considering the scope of AAFES business operations, the military customers being served, the magnitude of the fiduciary responsibilities, and the various contingencies under which the command can be called upon to serve.

The Army and Air Force Exchange Service (AAFES) is a generally self-supporting instrumentality of the United States Government which can be equated to a Fortune 500 international corporation with 1987 sales of $5.85 billion. AAFES operates over 16,000 retail and service activities from Thailand to Saudi Arabia for nearly 7 million authorized customers with a workforce exceeding 78,000 employees, and ranks as the eleventh largest retailer in the industry. The AAFES mission is twofold: to provide merchandise and services of necessity and convenience to authorized patrons at uniformly low prices, and to generate reasonable earnings to supplement appropriated funds for the support of Army and Air Force morale, welfare, and recreation (MWR) programs. Airmen, soldiers, and their families around the world maintained a better quality of life as a direct result of AAFES support, which in 1987 included $130 million in dividends to MWR programs.

Senator **GLENN**. Mr. Byrne, it appears to me that the Hay Group prepared the study on the basis of the direction and assumptions the DOD provided. Therefore, I can understand why you applied the guide chart methodology as you did. However, what we have here is strictly a job evaluation without regard for the validity of organizational structures or relationships in DOD—is that correct?

Mr. **BYRNE**. We did operate with guidance provided by DOD. However, it would be inaccurate to describe the Hay study as one which employed job evaluation without concern for organizational validity since an inherent feature of the Hay methodology is an appreciation of job content within an organizational structure. Consequently, such organizational characteristics as layering, redundancy, mission, and functional relationship were, by design, considered by not only Hay job measurement experts but also by the DOD members of the evaluation committee who are knowledgeable about the jobs and the organization in which they exist. Our four decades of measurement experience has shown that jobs do not function in a vacuum; therefore, the organizational context in which the position operates is a key part of the Hay evaluation process.

It is also important to emphasize that when any management consulting firm is called upon to undertake an organizational review, the first step is to establish the basic components of the organization, the most fundamental ingredient of which is job content—how and why positions exist and where and with whom they function. Our experience has also shown that there is no perfect organization. It is for these reasons that many institutions use this very same Hay job evaluation technology: not to undertake a requirements study, as here, but to conduct organization design and effectiveness studies. The Hay methodology is not distracted by structural imperfections; it recognizes that jobs, individually and collectively, constitute the critical framework of any viable organization.

The Hay study was conducted to establish specific management requirements in an organization subject to frequent changes, and to continuing review. The Hay methodology, as the service participants have noted, provided a solid and credible approach for identifying and proposing needed changes to the general and flag officer structure. There now exists a proven methodology to assess organizational changes made within DOD and their impact, if any, on the requirements and distributions of general and flag officers.

Senator GLENN. If you had been tasked to do a zero-based validation on manpower requirements without the direction and assumptions DOD gave you, would you have ignored the organization characteristics and staffing patterns in conducting a zero-based validation?

Mr. BYRNE. If asked to do a zero-based study including all functions, yes, we would have included organizational analysis in study. However, a manpower requirements study at billet level—to validate rank—can be done legitimately without an organizational analysis.

Senator GLENN. As a professional in the manpower requirements validation field, do you believe that the study you have prepared for DOD unequivocally supports the increase in general and flag officers the DOD is seeking? If you answer in the affirmative, explain how you can support this increase when you did not question the underlying structure?

Mr. BYRNE. We do not yet know what requirements the DOD will request of the Congress. It is our understanding that they are still reviewing the implications of the Vander Schaaf study and the recent force reductions on their final requirements. However, Hay has provided DOD a methodology to sharpen the precision of their deliberations; and we can unequivocally support the DOD application of the Hay job measurement technology. On the basis of the Hay study alone, we would expect DOD to request some increase in general and flag officers level. The Hay study concluded that 1,436 is the correct number of current positons operating at the general and flag officer level. Therefore, we would certainly support DOD's request for additional general and flag officers.

It is important to emphasize that the Hay methodology does not require that any underlying structure be questioned, but only that it is fully understood as it existed at the time. In our view, to develop more efficient and effective organizations, a foundation of knowledge about positions and how they operate in the organization must first be established. The Hay review did precisely this, with the result that a valid hierarchy of jobs was identified which, in turn, provided a sound basis for establishing the general and flag officer manpower requirements.

Senator GLENN. Mr. Green, the final OSD decision on what you term the joint general and flag officer requirements category indicates that there are 11 too many right now. What are you doing to reduce the current level of 236 by that amount?

Mr. GREEN. The question you asked must be put in its proper time perspective. The level of 236 reflects the number of general and flag officers that occupied the 251 joint billets which made up the study population when data collection began. The balance of those 251 were filled with general/flag officer selects, 0–6's, or were temporarily vacant. A snapshot of the same population when the study was completed in April reflected a decrease to only 221 general and flag officers in those billets. Personnel actions are currently underway to ensure proper grade alignment within the 225 joint billets that were approved by OSD in their final review of the Hay results.

Senator GLENN. Mr. Green, the Army, Air Force and Marine Corps reduced their active duty strengths in their budget submissons for fiscal year 1989. We are talking about a reduction of 8,500 for the Army, a reduction of 31,250 for the Air Force, and a reduction of 2,400 for the Marine Corps from the fiscal year 1987 authorized levels.

In addition, we have just reduced officer strength in the DOD by 2 percent and full resolution of the officer cut issue will ultimately raise that reduction to at least 3.5 percent by fiscal year 1990. It seems to me that you are going against the tide with your request for 34 percent more general and flag officers than you have today. Have you considered your plan to submit legislation to increase general and flag officer strength by 34 percent in this context and what message such an action would send to our troops?

Mr. GREEN. I recognize that a request to increase GFO's while the Congress is directing us to reduce officer and troop strengths appears incongruous. However, it must be noted that the current level of GFO's is not sufficient to support the existing or projected DOD mission. The Department has been trying to demonstrate that the 1,073 was inadequate for some time. It is with the Hay study that the Department believes it examined requirements in sufficient depth to convince Congress of the problem created by insufficient flag officers.

There are two points that must be emphasized. First, since 1954, DOD has conducted five major general and flag officer requirement studies. Each of those studies indicated that requirements existed for more general and flag officers than Congress was willing to authorize. For years Congress has encouraged the Department to validate its general and flag officer requirements on accepted manpower determination processes. By using Hay, a respected authority in the field of senior level manpower requirements determination, we have done so. You must keep in mind that the level of 1,073 general and flag officers currently authorized by Congress is not based on any requirements determination process; it is, in fact, arbitrary. Therefore, it is my position that our eventual request for an increase of authorized general and flag officers will in fact, be a request for relief of a long-standing shortage of such billets, based on substantiated requirements.

Secondly, Hay has conducted a large number of private sector studies to determine the validity of managing companies by the ratio of executives to employees. They found that private sector executive needs were best determined by the subjective weighting of a set of criteria according to internal values and strategic considerations—in no case were ratios used, or deemed appropriate, for determining senior level leadership. Therefore, it is our position that ratios between military personnel (O6 and below) to general and flag officers provide little or no predictive power for establishing the "correct" number of senior leaders the services/JCS need to be successful.

As far as the message we would send to the troops by increasing the number of general and flag officers, I believe it would be a very positive one. Today, we do not have enough general and flag officers to fill critical combat billets such as vice commanders of Navy numbered fleets and the commanders of marine amphibious units. Numerous officers are "dual hatted"—dividing their time among two or more separate jobs, each of which requires a full time general or flag officer to perform the attendant duties. In several such positions reviewed during the study, Hay found some billets with a span of control that was too large to allow the incumbent to be effective. Therefore, by increasing the number of general and flag officers to adequate levels we could eliminate "dual hatting", reduce the span of control, and make such organizations more efficient. The troops would view this increased efficiency in a positive manner.

In sum, the Defense Authorization Act of 1978 imposed the current ceiling on general and flag officers of 1,073. At the time the Department opposed that arbitrary reduction. As the Department recovered from budgetary constraints and general lack of attention in the late seventies, force structure and manpower were allowed to grow according to need. I recognize that there were certain other problems with that manpower growth which have now been alleviated. Nevertheless, in spite of the fact that the Department grew over 100 front line ships, 2 Army divisions, a number of Air Force tactical fighter wings, as well as increasing the emphasis on the joint arena, the ceiling on general and flag officers was never raised. The importance of the Hay System is that, as an organization or a mission changes, the Department will be in a position to adjust, either up or down, its general and flag officer needs. However, we must start from the correct baseline. To do that, we need to be authorized the number of senior officers to match our current requirements.

Senator GLENN. Mr. Green, the senior leadership of the Department of Defense obviously includes Senior Executive Service (SES) civilians. There are 1,571 of these personnel in the Department of Defense. Therefore, they must be a vital element of your senior management structure. Given this, why did you ignore this vital element in developing your requirements for general and flag officers? For example, there are 23 general and flag officers and 232 senior executive service personnel assigned to the Office of the Secretary of Defense. If you were conducting a review of the general and flag officer requirements in the Office of the Secretary of Defense, wouldn't you also have to validate your SES requirement at the same time in order to give your general and flag officer requirements credibility?

Mr. GREEN. The SES are a vital part of our management team, and they were not ignored. In fact, the Hay study specifically reviewed a sample of SES incumbents in all the services (1) to ensure that the Hay methodology could be accurately applied to SES positions, and (2) properly measure general and flag officers positions where either an SES reported to a GFO or a GFO reported to an SES. As a result of this process, we now have a proven methodology which can be applied to any and all SES and GFO positions in the future, as the need arises.

Senator GLENN. Mr. Byrne, I know the evaluation of SES requirements was not in your scope of work. However, it seems to me that a credible evaluation of senior military leadership cannot merely assume that current SES requirements are valid and that only general and flag officers are variable.

As far as I am concerned, you need to start with the question of the leadership jobs that need to be filled first and then determine which should be filled by general and flag officers and which should be filled by SES personnel. In fact, you indicate in your report that: "Jobs do not exist in isolation. On a job-by-job basis, it is quite conceivable that a civilian can be substituted for a general or flag officer, but the job must be considered in the context of its total work environment inside and outside the institution." I think this makes my point. Would you care to respond to this?

Mr. **Byrne**. We certainly could have evaluated all of the SES jobs while evaluating GFO positions, but that was—as you acknowledge—neither our mandate nor was it essential to validating the requirements for general and flag officers. The determination of whether a job should be filled by a civilian or a member of the military, otherwise termed "interchangeability," was a subject of interest to DOD, as we indicated in our report. While it is possible to make some substitutions, such a decision is far more complex than a simple exchange of personnel. Merely having civilians with the required skills does not mean that an exchange of incumbents should take place. In order to determine the appropriateness of interchangeability, such issues as mission requirements and officer corps career development must be considered. In this study we have provided the tools for DOD to identify positions possibly suitable for interchange, but such judgments, as we have indicated, must be tempered with management judgment.

Senator **Glenn**. Mr. Byrne, the Hay study originally graded the position of superintendent of our military academies at the 2-star level. After hearing this discussion, I'm not sure I would have been as generous. What are your views about the validity of establishing these positions at the 3-star level?

Mr. **Byrne**. Our job evaluation technology established the Naval Academy position as a three star and the others as two star billets. However, as we explained in our report, both public and private organizations understandably deviate from the strict application of any job measurement system in order to accommodate special management circumstances. Mindful of this legitimate need, we recommended each of the services provide "caveats" to the Hay methodology derived results. In other words, these caveats represent discretionary management decisions, protocol demands, and congressional requirements.

The caveat process in this case invoked the parity rule—if the Naval Academy Superintendent is a three-star, then the other academy superintendents should also be three-stars.

Senator **Glenn**. Mr. Green, the distribution of general and flag officers among the services and the OJCS that results from your final decision on the Hay study results substantially alters the percentage that each service would have of the total. It stands to reason that if you agree with the revised distribution, you would realign the current distribution of 1,073 to the revised percentages.

The effect of such a redistribution would be a reduction to the Army and OJCS of 21 and 68 general and flag officer billets respectively, and a plus-up of 50 for the Navy, 36 for the Air Force, and 4 for the Marine Corps.

As you know, Secretary Green, OSD has the authority to realign general and flag officers' positions among the services within certain limits. Do you intend to make these realignments?

Mr. **Green**. The Hay study has proven that the Department has a serious shortage of general and flag officers; each service shares in that shortfall. The only way to resolve the basic problem is to solicit Congress' support in raising the ceiling on the authorized number of general and flag officers. Once Congress has responded to the Department's legislative proposal requesting more general and flag officers, then we will consider reallocation using the Hay study as one factor in the reallocation process.

GENERAL AND FLAG OFFICER REQUIREMENTS

Senator **Glenn**. General Ono, why do you need generals to head your four ROTC regions?

General **Ono**. The mission of the Cadet Command is to commission the future leadership of the United States Army. The Four Region Commanders jointly control 315 Senior ROTC battalions and 101 extension centers. They implement policies and procedures for recruiting, selecting, training, retaining, commissioning, and assessing approximately 8,000 cadets annually. Each region program supports 15,000 cadets and commissions 1,990 lieutenants annually. This represents 70% of the Army's total officer annual requirement. They command 78 senior ROTC host institutions and 25 extension centers. Their specific duties entail command of 1,115 military and civilian personnel spread over a geographical area of 910 thousand square miles; control high school programs at 210 schools reaching 34,000 cadets; manage a 35 to 45 million dollar budget; plan, coordinate, and execute an annual ROTC advance camp, providing training for 3,000 prospective officers; and provide interface with State, local, and military officers. The Army program is approximately five times larger than the Navy program and twice as large as the Air Force.

Senator **Glenn**. General Ono, the officer requirements study DOD sent over earlier this year included a discussion of the manpower requirements determination processes of the services.

In its discussion of a zero based validation of requirements, the Army section indicated: "missions are reviewed for overlap with other organizations, and within the organization. The organizational structure is reviewed for 'layering' and adequate span of control." This same logic is carried through in the sections for all of the other services.

Do you agree with the quote I just recited, and if so, please explain how that can possibly be reconciled with the conclusion by Secretary Taft that the Hay study is zero based.

General **Ono**. While the Army fully agrees with the quote cited, one must be careful not to take this quote out of context. The quote is accurate and describes one of the Army's processes for reviewing and validating requirements on a periodic basis. With respect to general officers, each year the Army conducts a general officer requirements review of all Category I (supported) and Category II (unsupported) requirements. These reviews incorporate changes in mission, organizational structure and personnel. The results are then compiled and the Chief of Staff, Army reviews the results and discusses them with the four star commanders each year in October. This process results in a validated list of Army general officer requirements based on the input of the incumbent, field commanders, and the Army leadership.

Senator **Glenn**. Have you considered your plan to submit legislation to increase general and flag officer strength by 34 percent in this context and what message such action would send to our troops?

General Ono, would you please respond to the question I just raised with Mr. Green?

General **Ono**. As I stated earlier in my opening statement, we believe that a request for more general officers would conflict with the intent of Congress as well as budgetary constraints that have reduced the numbers of Army civilians, officers, and enlisted personnel. We realize that this position of not asking for more general officers could give the impression that the Army is "fat" compared to the other services. However, I have appeared before this committee before, and I believe that your intent is clear: You want the services to exhibit responsibility and self-discipline. Accordingly, we do not believe it is appropriate to ask for more general officers in the Army, even though we believe the Hay results justify such a request.

Senator **Glenn**. General Ono, you previously commanded the Army's recruiting command at the one star grade, the grade validated for that position in the Hay study.

Would you please describe to us the scope of that job—specifically what resources you controlled in terms of dollars and organizational structure.

General **Ono**. Let me begin by stating for the record that I commanded at the 2 star level. The job entailed the recruiting of 200,000 Regular and Reserve forces annually for the Regular Army, U.S. Army Reserve troop units, Regular and USAR officer candidates, nurses, warrant officers and warrant officer flight program. It entailed the supervision of five recruiting brigades spread across the United States totaling 13,000 personnel with an operating budget of 700 million dollars and a contracting budget of over 100 million dollars.

Senator **Glenn**. How would you compare that job in terms of equivalency of responsibility to the job of Superintendent of the Military Academy at West Point?

General **Ono**. The responsibilities vary significantly with these two positions because both have clearly distinct missions. The Superintendent of the Military Academy has more responsibility from the viewpoint of education and training since his mission is to educate, train, and inspire the Corps of Cadets so that each graduate has the requisite skills and character to fulfill a career of exemplary service to the Nation. The Superintendent's position requires prestige, practical experience and demonstrated competence as an academician. The position further requires public confidence and support commensurate with ambassadorial responsibilities in view of the constant flow of prominent personages visiting West Point, both foreign and domestic. The Commanding General of the Army's Recruiting Command has significant responsibilities associated with recruiting qualified applicants into the Active Army and its Reserve components—including command—of five recruiting brigades located throughout CONUS and selected overseas areas. Compared to the Superintendent, he operates a larger operating budget. Although not tactical in nature, the recruiting mission is vital to retaining the manpower strength of the Army and plays a vital role in the national security of the Nation. In summary, both positions carry a wide range of responsibilities equally important to the scope of their respective organizational missions.

Senator **Glenn**. As you know, Secretary Green, OSD, has the authority to realign general and flag officers' position among the services within certain limits.

Do you intend to make these realignments?

Would any of the other witnesses care to address this question?

General **Ono**. The Army would undoubtedly again pay the bill if reallocation within DOD were to take place. We have recently given five authorizations and two headspaces. Again, as I stated in my opening statement, we are taking steps to reduce our own general officer requirements in order to comply with the 15 percent Army staff reduction mandated by the Goldwater-Nichols legislation, and we are reducing the number of officers selected for promotion for brigadier general so that we can reduce our list lengths and bring our requirements in line with authorizations. We have disciplined ourselves in our approach to frocking, and we conduct selective early retirement boards to help maintain promotion opportunity and professional development opportunities. Because we are disciplining ourselves and managing our force with fewer generals than Hay believes that we need, we must maintain at least our current level of authorizations and should not be penalized for proactive management. The fact remains, no operational capability of any service has been clearly demonstrated as deficient for lack of additional general/flag officer resources.

RESERVE OFFICER TRAINING CORPS (ROTC) PROGRAM

Senator **Glenn**. Admiral Boorda, how many generals and admirals do you have running your respective ROTC program?

Admiral **Boorda**. The designated Program Manager for the Navy ROTC (NROTC) Program is a Navy Captain (O-6) whose title is NROTC Division Director (N-1). He develops policy; coordinates functions, projects and tasks; and conducts oversight of the NROTC mission. N-1 reports to the Vice Chief of Naval Education and Training (CNET) who acts as the flag level senior for management of the NROTC Program, in addition to his duties on all other CNET matters.

GENERAL AND FLAG OFFICER REQUIREMENTS

Senator **Glenn**. General Ono, Admiral Boorda, General Hudson, General Hickey, and Admiral Hazard the officer requirements study DOD sent over earlier this year included a discussion of the manpower requirements determination processes of the services.

In its discussion of zero-based validation of requirements, the Army section indicated: "Missions are reviewed for overlap with other organizations, and within the organization. The organizational structure is reviewed for 'layering' and adequate span of control." This same logic is carried through in the sections for all of the other services.

Admiral Boorda, do you agree with the quote I just recited, and if so, please explain how that can possibly be reconciled with the conclusion by Secretary Taft that the Hay study is zero-based.

Admiral **Boorda**. Yes, I agree that a "zero-based" validation of force requirements should include a review of missions for possible overlap with other organizations and within organizations. I believe the term, "zero-based" study, is one of those terms which is used differently by different people. As it was applied to the Hay study by Secretary Taft it meant looking at all Department of Defense (DOD) flag and general officer (F/GO) billets throughout the defense establishment. The Hay study was conducted to validate the total number of officers needed to fill the F/GO positions. That is, those positions determined to be "big" enough to be correctly classified as F/GO positions. The study also identified each billet by the rank required to fill the position. That is one-star, two-star, three-star or four-star.

As with any study certain assumptions must be made in order to make it manageable. One assumption for the Hay study was that the billets studied were valid positions and required an officer or civilian to fill them. The "charter" of the study was to determine the minimum grade level for the officer or civilian required to effectively perform the functions of the billet not whether the billet was required at all.

Viewed in this light, I believe it was appropriate and correct for Secretary Taft to refer to the Hay study as a zero-based study.

FLAG BILLET RESPONSIBILITY COMPARISON

Senator **Glenn**. Admiral Boorda, in your last assignment, I believe you were the Commander, Cruiser Destroyer Group Eight, and served in that capacity in the 1-star grade. Would you describe to us your responsibilities in that job. Specifically, tell us how many ships you controlled, the number of personnel, the extent of your operational authority and value of resources you managed. Then, contrast that with the job of the Commandant of the U.S. Naval Academy.

Admiral **Boorda**. As Commander of Cruiser Destroyer Group Eight I had direct control of 1 aircraft carrier, 1 battleship, 11 cruisers, 32 destroyers and numerous support ships. In order to operate the force I had 21,000 people and an operating budget in the hundreds of millions. I was responsible for the material, training and combat readiness of the forces assigned. While deployed I was responsible for the employment of my forces in response to training exercises and National or NATO tasking. When measured in the confines of the Hay methodology, accountability caused this position to be rated at the O8 level.

The Commandant of Midshipmen at the Naval Academy is responsible for the discipline and the professional, military and physical training of the midshipmen. As Commandant he is in charge of 5500 staff and students. He maintains a facility valued at over 1.2 billion dollars which has an annual operating budget in excess of 15 million dollars. He directs policy, sets standards of conduct and is the role model for the brigade of midshipmen. Additionally, he reviews and modifies the military curriculum as necessary. Using the Hay methodology, the commandant's position was rated at the 0-7 level.

GENERAL AND FLAG OFFICER REQUIREMENTS

Senator **Glenn**. Admiral Boorda, the DOD IG study recommends the disestablishment of Headquarters United States Navy Europe and realignment of U.S. Navy Europe forces to the U.S. Atlantic Fleet. I quote from the DOD IG report: "In summary, disestablishment of the USNAVEUR would result in more efficient European Command structure and retention of U.S. control of the NATO southern region. Fleet readiness will also likely be enhanced, since the operational forces would be under USLANTFLT control, both in the Atlantic Ocean and the Mediterranean Sea." On the other hand, the Hay study advocates 7 flag officers for U.S. Navy Europe.

What effect will the DOD IG study have on the 7 flag officers you claim you need in U.S. Navy Europe?

Admiral **Boorda**. Navy opposes the DOD IG recommendation to disestablish CINCUSNAVEUR. The CINCUSNAVEUR command is required to support all naval forces throughout Europe from Norway to the Mediterranean. In addition to providing continuous support for the standing naval forces (COMSIXTHFLT) they are also responsible for combined contingency operations in the CINCEUR and NATO arena. They are also responsible for the planning and execution of a variety of multi-national exercises in the Mediterranean as well as the annual major cold weather exercise in Northern Europe (NORTHERN WEDDING).

If CINCUSNAVEUR were disestablished there would not be an immediate savings of 7 F/GO's for the following reasons:

CINC (O-10) billet is required for NATO AFSOUTH billet (dual hatted as CINCUSNAVEUR).

DEPCINC (O-9) billet is required for USCOMEASTLANT billet (dual hatted as DEPCINCUSNAVEUR).

Chief of Staff (O-8) billet is required for DEPUSCOMEASTLANT billet (dual hatted as Chief of Staff NAVEUR).

The other four billets on the CINCUSNAVEUR staff whose responsibilities are so large that the Hay study justified the assignment of a flag officer are the Deputy Chief of Staff (DCOS) for Cryptology, DCOS for Intelligence, DCOS for Operations, and DCOS for Plans and Policy. Even if the DOD recommendation is implemented all of the functions performed by the officers in these positions would still need to be accomplished. Therefore the seven G/FO billets alloted to CINCUSNAVEUR are required either for other commitments in Europe or to support contingency operations.

Senator **Glenn**. Admiral Hazard, the officer requirements study DOD sent over earlier this year included a discussion of the manpower requirements determination processes of the services. In its discussion of zero-based validation of requirements, the Army section indicated: "Missions are reviewed for overlap with other organizations, and within the organization. The organizational structure is reviewed for 'layering' and adequate span of control." This same logic is carried through in the sections for all of the other services. Do you agree with the quote I just recited, and if so, please explain how that can possibly be reconciled with the conclusion by Secretary Taft that the Hay study is zero-based?

Admiral **Hazard**. Senator Glenn, the Joint Staff agrees that the quote cited describes the Army's manpower requirement determination process as reported in the Defense Officer Requirements Study submitted to Congress this past March. But the implication of the question would lead us to mix apples and oranges. It is important and more relevant to note that the Hay Corporation subscribes to a commonly held definition of a zero-based study; i.e., "one in which all requirements are established anew on their own merit without regard to previous rationales or justifications." The requirements to be studied in this case were general and flag officer requirements (those positions substantial enough to be classified as general/flag officer) and their distribution (placement into one-, two-, three-, and four-star billets). Given the foregoing commonly accepted definitions which Hay applied in its study efforts, Secretary Taft was correct when referring to the Hay methodology as zero-based.

Senator **Glenn**. Admiral Hazard, some have cautioned that the DOD IG review of the Unified and Specified Command Headquarters should not be accepted as at face value. I realize the review was completed over a relatively short time span—2½ months from initial tasking to completion. Yet over 6 months have elapsed since the report on the review has been issued. To date, there has been no response despite repeated indications from this subcommittee to DOD that a prompt reaction to the DOD IG report was in order. What this tells me is that there is more substance to the DOD IG report than some would credit it. Otherwise, it seems to me you would have blown it out of the water by now. Our patience is wearing thin. How many general and flag officer billets would be cut as recommendations in the DOD IG report were to be implemented? Why has it taken you so long to respond to the DOD IG report if, as you have contended, you keep up with your requirements on a real-time basis?

Admiral **Hazard**. Senator Glenn, although the Vander Schaaf report did not identify civilian/military, service, or grade mixes, the Joint Staff review identified less than 1 percent of the billets supported for reduction to be general/flag officer positions. Whatever the final decision, we concur with Mr. Vander Schaaf that "the Department needs to find ways to plow back the savings that accrue from any steps the Secretary of Defense takes to implement the recommendations contained in this report."

Since receipt of the DOD IG review of the Unified and Specified Command Headquarters, the Joint Staff has undertaken an extensive review of the recommendations. This has been a very time-consuming process because of the extensive changes proposed by Mr. Vander Schaaf. In addition, caution was exercised in our analysis to insure this study was not considered in isolation. Inputs from the warfighting CINCS, services, and a Joint Staff-sponsored conference were collated and compared to manpower actions that were already in progress. Each proposal was also assessed for its validity and feasibility with respect to current roles and missions of the Unified and Specified Commands. The Joint Staff's recommendations are now at OSD.

Senator **Glenn**. Admiral Hazard, the Hay study initially validated 50 fewer general and flag officers than you had assigned in the joint category. You subsequently modified this to a plus-up of 7, and the DOD came in at a final decision of minus 11 from your current level. Would you explain to us the reasons for these radical swings? What effect will the Vander Schaaf study, which recommends substantial realignments and reductions in the Unified and Specified Command structure, have on your general and flag officer requirement? Does the Chairman of the Joint Chiefs of Staff support the Hay results as reported?

Admiral **Hazard**. Senator Glenn, when looking at the raw data associated with the Hay study it is important to keep in mind that the Hay numbers and Joint Staff recommendations were but intermediate steps in this requirements development process. Each step served a vital purpose and the elimination of any one would have diminished the credibility of the final results. The initial Hay numbers helped establish baseline by focusing on three basic criteria outlined in their guide charts—know-how, problem solving, and accountability. However, since these three criteria do not address institutional management's judgment and other factors extraneous to their guidechart methodology, the Hay Group made provisions for a caveat process that would take such factors into consideration. For example, grade requirements for over 30 percent of the joint billets studies were governed by provisions of law; representational or parity considerations; or international agreement or protocols. Complying with initial Hay recommendations in many of these instances would have diminished U.S. readiness, effectiveness, or influence. The Chairman of the Joint Chiefs of Staff reviewed the billets and caveats to arrive at his recommendation to the Secretary of Defense. OSD exercised its oversight responsibilities in integrating the individual studies and reviewing all caveats.

Based on the recent Joint Staff analysis of the Vander Schaaf study, we foresee few changes in general/flag officer requirements in the joint arena. Our recommendations have been forwarded to OSD for review.

As I mentioned in my opening statement, the Joint Staff is satisfied with the scope, focus, and thoroughness of the Hay study and methodology. The Chairman supports the establishment of a credible requirements system that has flexibility to eliminate requirements or reduce grade levels as well as supporting increases.

Senator GLENN. Admiral Hazard, the distribution of general and flag officers among the services and the OJCS that results from your final decision on the Hay study results substantially alters the percentage that each service would have of the total. It stands to reason that if you agree with the revised distribution, you would realign the current distribution of 1,073 to the revised percentages. The effect of such a redistribution would be a reduction to the Army and OJCS of 21 and 68 general and flag officer billets respectively, and a plus-up of 50 for the Navy, 36 for the Air Force, and 4 for the Marine Corps. As you know, Admiral Hazard, OSD has the authority to realign general and flag officers' position among the services with certain limits. Would any of the other witnesses care to address this question?

Admiral HAZARD. Senator Glenn, the Joint Staff disagrees with a realignment that would add to the study results which reduced the joint arena by 26 spaces (net). In an era in which the Congress has substantially increased the status, responsibility, visibility, and number of unified commands and other joint activities in the interest of enhanced warfighting capability, it is folly to excise the leadership and management capability of that arena. Absent the elimination of joint force structure led by a flag or general officer, it is imperative that the joint arena continue to benefit from the now validated 225 general/flag requirements which, after all, are only approximately 20 percent of the current authorization.

Senator GLENN. General Hudson, the officer requirements study DOD sent over earlier in the year included a discussion of the manpower requirements determination processes of the services.

In the discussion of zero-based validation of requirements, the Army section indicated: "Missions are reviewed for overlap with other organizations, and within the organization. The organizational structure is reviewed for 'layering' and adequate span of control." This same logic is carried through in the sections for all of the other services.

Do you agree with the quote I just recited, and if so, please explain how that can possibly be reconciled with the conclusion by Secretary Taft that the Hay study is zero-based?

General HUDSON. The above quotation does not correctly describe the Marine Corps' officer requirement validation process. The earlier study referred to above is the Defense Officer Requirements Study of 1 March 1988. In this study the Marine Corps officer requirement validation process is described as a dynamic, integrated, on-going procedure of analysis, research, and study rather than a zero-based analysis.

Senator GLENN. Mr. Green, the Army, Air Force, and Marine Corps reduced their active duty strengths in their budget submissions for fiscal year 1989. We are talking about a reduction of 8,500 for the Army, a reduction of 31,250 for the Air Force, and a reduction of 2,400 for the Marine Corps from the fiscal year 1987 authorized levels.

In addition, we have just reduced officer strength in the DOD by 2 percent and the resolution of the officer cut issue will ultimately raise the reduction to at least 3.5 percent by fiscal year 1990.

It seems to me that you are going against the tide with your request for 34 percent more general and flag officers than you have today.

Have you considered your plan to submit legislation to increase general and flag officer strength by 34 percent in this context and what message such action would send to our troops?

General HUDSON. In 1981, Congress reduced the total number of general and flag officers and capped the number at 1,073. The Marine Corps is authorized 70 general officers. We have a requirement to fill 15 joint/external billets leaving 55 for internal use. Hay validated 82 internal positions. The Commandant has been forced to rely on dual-hatting, gapping, and assigning officers junior to billet requirements to meet our demands for senior leadership. Our Corps must have experienced, full-time, general officer leadership. Whether the Hay recommendations are realistic in light of congressionally mandated officer reductions or not, the fact remains that the Marine Corps has too few generals to meet its requirements.

HAY STUDY

Senator **Glenn**. General Hickey, how many generals and admirals do you have running your respective ROTC programs?

General **Hickey**. The Air Force has one Brigadier General managing the Reserve Officer Training Corps program.

Senator **Glenn**. General Hickey, the officer requirements study DOD sent over earlier this year included a discussion of the manpower requirements determination processes of the services.

In its discussion of zero-based validation of requirements, the Army section indicated: "Missions are reviewed for 'layering' and adequate span of control." This same logic is carried through in the sections for all of the other services. Do you agree with the quote I just recited, and if so, please explain how that can possibly be reconciled with the conclusion by Secretary Taft that the Hay study is zero-based?

General **Hickey**. The Defense Officer Requirements Study, submitted to Congress in March 1988, outlines how the Air Force determines its organization and manpower requirements through the application of established criteria for military essentiality. This annually zero-based process establishes the proper resource mix (officer, enlisted, civilian, contract services) necessary to accomplish our mission and results in an overall officer total needed to support the approved force and organization structure. The Air Force further refines its officer requirements determination by using an annual position review process to ascertain its general officer requirements within this overall total. Major Commands are tasked to assess their requirements, including their evaluation of any organizational changes occurring during the past year that they believe may necessitate a change in general officer positions. These assessments are reviewed by a General Officer Manning and Position Review Board chaired by the Vice Chief of Staff and composed of Air Staff three-star functional managers. The Board considers "layering and adequate span of control" in addition to mission requirements and allocates available authorizations. Field commanders are then advised of their general officer authorizations for the next year. The Hay study confirmed the validity of this process, recommending that virtually every existing Air Force encumbered general officer position be retained.

Senator **Glenn**. Mr. Green, the Army, Air Force and Marine Corps reduced their active duty strengths in their budget submissions for fiscal year 1989. We are talking about a reduction of 8,500 for the Army, a reduction of 31,250 for the Air Force and a reduction of 2,400 for the Marine Corps from the fiscal year 1987 authorized levels. In addition, we have just reduced officer strength in the DOD by 2% and the resolution of the officer cut issue will ultimately raise the reduction to at least 3.5% by fiscal year 1990.

It seems to me that you are going against the tide with your request for 34% more general and flag officers than you have today. Have you considered your plan to submit legislation to increase general and flag officer strength by 34% in this context and what message such action would send to our troops? General Hickey, would you please respond to the question I just raised with Mr. Green?

General **Hickey**. The requirement for general officers has always exceeded authorized strength. In 1978, our general officer ceiling was reduced to 360, down from 420 in 1972. From 1978 to 1987, we have seen the Air Force general officer ceiling further reduced to an all time low of 338. Yet, during this same 9 year period, total Air Force end strength rose nearly 45,000 and budgetary authority (Total Obligation Authority) increased from $33B to $94B. Despite the planned reductions you reference, we still have a plus-up of some 10,000 in overall strength and the possibility of more budgetary authority. We continue to believe these figures support an increase in general officer authorizations.

Senator **Glenn**. General Hickey, you fill a very responsible position as the Deputy Chief of Staff for Personnel of the Air Force. That position is validated in the Hay study at the 3-star level which I believe is appropriate. You have a world-wide responsibility for all personnel matters in the Air Force. Would you please describe to us in some detail your current scope of responsibilities in terms of the resource and the organizational structure you control to include the number of general scope of responsibilities in terms of the resource and the organizational structure you control to include the number of general officers who report directly to you or indirectly through the major commands? Would you please describe to us in the same terms the responsibilities of the Superintendent of the Air Force Academy, a 3-star position, the working relationship between your position and that position, and then compare the two in terms of equivalency?

General **Hickey**. The Air Force DCS personnel plans, establishes and directs personnel programs for the welfare of all Air Force members, to include training and education, career development, promotion, assignment, personnel evaluation, retirement and separation, labor management relations, uniform policy and morale, welfare and recreation programs. The incumbent also develops and administers policies for identification and adjustment of Air Force requirements as an integral element of the Planning, Programming and Budgeting System. He provides leadership and direction to an Assistant DCS, two Air Staff directors and a commander and vice commander of a large separate operating agency, all of whom are general officers.

The Superintendent of the Air Force Academy, as does the HQ USAF DCS Personnel, reports directly to the Chief of Staff, HQ USAF. The Superintendent commands 9700 active duty military, civilian and cadet personnel. In addition to being equivalent to the president of a major university, the Superintendent's responsibilities include the safe operation and maintenance of 78 aircraft and one of the busiest airports of its class in the country. The incumbent also administers a budget in excess of $250 million. The Commandant of Cadets and the Dean of Faculty, both general officers, report directly to the Superintendent.

It is difficult to compare, for purposes of equivalency, these two positions. Both require strong leadership and a breadth of experience in senior command and staff positions. In terms of a working relationship, the product (junior officers) developed by the Academy is further refined and sustained by the programs administered by the HQ USAF DCS Personnel. Equal amounts of talent, experience and leadership are required in each position. If the purpose of this question is to determine the appropriate grade for the Superintendent, I must tell you that I strongly support the current 3-star authorization. The representational role and prestige of the institution mandate the presence of a lieutenant general to insure comparability with presidents of other universities of equal national and international prominence.

QUESTIONS SUBMITTED BY SENATOR PETE WILSON

HAY STUDY

Senator WILSON. Mr. Green, who decided that the Hay Group study would assume that current organization and staffing patterns would be used without regard to their correctness? Why was that assumption made? What effect will the reduction of some 10,000 officer billets between fiscal year 1987 and fiscal year 1990 have on the results flowing from the assumption?

Mr. GREEN. No decision was ever made that the study would assume the correctness of the current organization and staffing patterns. As the report indicates, the decision was made to freeze the organization at a point in time—to take a snapshot, in effect—so that evaluations could be conducted consistently across the Department. The same approach was applied to staffing patterns: they were not assumed to be correct or incorrect; rather, they were taken as static for the purpose of consistent data examination.

It is important to remember that this was a manpower requirements study, the purpose of which was to establish a reliable and valid baseline against which positions could be compared. The baseline was established at the time we commenced the evaluation process, where and how the positions existed at that time. With that baseline established, the Department can now use it to measure the impact of a variety of organizational changes and other internal and external events upon the cadre of general and flag officers. As the Congress has reminded us on so many occasions, organizational changes must be based on fact not perception, and this study significantly increases the factual basis upon which decisions about general and flag officers can be made.

Senator WILSON. Mr. Byrne, in determining the "cut point" between O-6 and O-7 positions, how were O-6 positions validated? Mr. Green refers to this study as using a "zero-base" methodology. How can it be zero-based if the positions below O-7 were not validated as requiring the grade assigned to those positions?

Mr. BYRNE. The Hay Group, in conducting its study, did in fact review a large number of O-6 positions for the very purpose you suggest—to validate positions on the other side of the line, so to speak. As expected, some were found to be undergraded, while others were found to be properly ranked as the next level of management below general and flag officers. These determinations were made using the same Hay Guide Chart Method of position evaluation and a comparison of the job against Hay data bases. In other words, O-6 positions were evaluated in exactly the same way as the GFO's; their rankings and relationship were validated using the same techniques; and for these reasons clearly established the validity and credibility of the O-6/O-7 threshold or "cut-point."

Senator Wilson. Mr. Green, who made the decision that the study would be based on peacetime, non-mobilized status. Why was that assumption used? How valid is the outcome to a wartime, mobilized force? Have operational, wartime criteria been built into the study, or would a new set of criteria have to be applied if we mobilized?

Mr. Green. A number of decisions had to be made about how these positions would be reviewed, and OSD determined that their current non-mobilized status was the single best reference point for any later comparative analyses. As this committee knows, there are multiple mobilization scenarios and any attempt to forecast—or, more appropriately, guess—which might be an operative condition, would seriously misrepresent this very important study. Consequently, with the data baseline of the Hay report and the availability of Hay technology, DOD can now properly assess the implications of changes using the Hay template. In fact, the criteria to be used have been validated and the entire technique can be applied to a variety of mobilization scenarios; therefore, the Hay approach serves both non-mobilized and mobilized organizational conditions. Furthermore, we believe that better management control, through better understanding of the job content of GFO billets which resulted from this study, will allow us to improve our planning for mobilization, and ultimately enhance combat readiness.

Senator Wilson. Mr. Green, I think you asked the question in your testimony. Where do we go from here? When will the Department actually transmit proposed legislation to the Congress? How will that legislation incorporate the Hay methodology into a legislative formula? Will the legislation automatically reduce the authorized number of flag and general officers if, for example, a substantial force reduction would occur, or would force size have little effect upon the authorized number using the Hay methodology?

Mr. Green. It is the Department's intention to submit legislation in conjunction with the fiscal year 1990-91 Budget Submission. The basis for that legislation will be the recently completed Hay General and Flag Officer Requirements Study. While we have not completely developed the legislative package at this time, I anticipate that our proposal will have the capability to reduce or add to the authorized number of general and flag officers should force structure reductions or buildup occur. For example, the Vander Schaaf Study of United Specified Command Headquarters has recommended substantial force structure reductions. With Hay, we now have in place the capability to evaluate the force structure reductions recommended by Vander Schaaf as they apply to general and flag officer requirements and delete or add billets as requirements necessitate.

As to the question of automatic reductions of general and flag officers with reductions of force personnel, the study conducted for DOD and other studies by Hay Group have shown that there is no direct relationship in the ratio of executives to employees. It is our position that ratios between military personnel and general and flag officers provide little or no predictive power for establishing the number of senior leaders the services need to be successful.

Questions Submitted by Senator John McCain

GENERAL AND FLAG OFFICER REQUIREMENTS

Senator McCain. General Ono, please provide a breakout by service of promotions to and within the rank of general and flag officer showing the promotions coming directly from the command of combat forces versus promotions from administrative, headquarters, and other assignments.

General Ono. The positions involving the command of combat forces have been defined to include those command positions of responsibility directly involved with the training of soldiers and the sustainment of the combat forces. As requested, the statistics below reflect where the officers were serving at the time of selection. It is important to note that nearly 85 percent of these officers selected for promotion to brigadier general and major general served in a colonel or brigadier general command position related to combat forces prior to or at selection for promotion.

	1986		1987		1988	
	Brigadier general	Major general	Brigadier general	Major general	Brigadier general	Major general
Command of combat forces (percent)	14(25)	14(39)	10(18)	11(28)	21(42)	14(39)
Administration/headquarters/others (percent)	43(75)	20(61)	46(72)	28(72)	29(58)	22(61)

	1986		1987		1988	
	Brigadier general	Major general	Brigadier general	Major general	Brigadier general	Major general
Total selected	57	34	56	39	50	36

Senator McCain. Please provide a similar breakout showing the promotions to and within the rank of general and flag officer from assignments qualifying as joint assignments, and showing the number of officers getting promotions who qualify for joint duty versus those being promoted from the command of combat forces.

General Ono. The number of officers who qualify for joint duty in the following matrix includes those officers who were granted waivers for joint equivalent assignments and scientific/technical experience as provided for in the DOD Reorganization Act. The command of combat forces is as defined previously.

	1986		1987		1988	
	Brigadier general	Major general	Brigadier general	Major general	Brigadier general	Major general
In joint assignment (percent)	4(7)	5(14)	13(23)	11(28)	4(8)	6(17)
Qualify for joint (percent)	44(77)	32(94)	50(89)	37(95)	41(82)	36(100)
Command of combat forces (percent)	14(25)	14(39)	10(18)	11(28)	21(42)	14(39)
Total selected [1]	57	34	56	39	50	36

[1] The sums of the columns do not equal the total selected because the categories overlap.

Senator McCain. What impact have recent cuts in personnel had on the number of general and flag officers in each rank in each service? What trends are now projected for fiscal year 1990?

General Ono. Army personnel cuts have not had any impact on the size of the general officer population. We do not project any change in the strength of the general officer corps for fiscal year 1990.

Senator McCain. What has the annual rate of promotion been within each grade of general officer by service during the last 5 years? What percentage of colonel grade equivalents have been promoted? How is this currently projected to change during fiscal year 1989 and fiscal year 1990?

General Ono. In an attempt to bring our requirements in line with our authorizations, the number of colonels selected for brigadier general since 1984 has decreased more than 20 percent. We fully intend to continue a trend toward fewer selections during fiscal year 1989 and fiscal year 1990.

The average rate of selection for colonels promoted to brigadier general over the last five years is 2.2 percent. The average rate of selection for brigadier generals promoted to major general over the last five years is 36.3 percent. Since lieutenant generals and generals are appointed rather than promoted, they are not included in the following statistics.

PERCENTAGE OF GENERAL OFFICER PROMOTIONS

	1984	1985	1986	1987	1988
Brigadier general	2.4	2.3	2.2	2.1	2.0
Major general	34.0	35.6	32.7	40.6	39.1

FLAG PROMOTIONS FROM COMBAT FORCES VERSUS OTHERS

Senator McCain. Admiral Boorda, please provide a breakout by service of promotions to and within the rank of general and flag officer showing the promotions coming directly from the command of combat forces versus promotions from administrative, headquarters, and other assignments.

Admiral Boorda.

Promotions	From combat forces	From admin/hos
0–8 fiscal year 1989	11	09
0–8 fiscal year 1988	10	10
0–7 fiscal year 1989	11	19
0–7 fiscal year 1988	9	20
Above numbers change as follows when consideration is given that immediate previous assignment was combat force (ship/squadron).		
0–8 fiscal year 1989	14	06
0–8 fiscal year 1988	11	09
0–7 fiscal year 1989	25	05
0–7 fiscal year 1988	22	07

See attached listing.

Senator McCain. Please provide a similar breakout showing the promotions to and within the rank of General and Flag officer from assignments qualifying as joint assignments, and showing the number of officers getting promotion who qualify for joint duty versus those being promoted from the command of combat units.

Admiral Boorda.

Promotions	From joint assgn.	From qualifying combat forces joint assgn.	From combat forces
0–8 fiscal year 1989 (20)	3	3	11
0–8 fiscal year 1988 (20)	3	1	10
0–7 fiscal year 1989 (30)	3	1	11
0–7 fiscal year 1988 (29)	2	5	9

See attached listing.

O–8 FISCAL YEAR 1989

From combat forces

Boorda (COMCRUDESGRU 8), Bull (COMCARGRU 7), Bump (DEP CDR IBERLANT), Donovan (COMPHIBGRU 3), Dougherty (COMCARGRU 8), Hill (COMSUBGRU 5), McVadon (CDR Iceland Defense Force), Milligan (COMCRUDESGRU 2), Reiman (COMNAVSURFGRU MID-PAC), Rogers (COMCARGRU 3), Toney (COMSERFGRU 1/COMNAVBASE SFRAN).

Total: 11, 55 percent.

From administration/headquarters

*Bernsen (DEP COS READINESS & RESOURCES, CINCLANTFLT), Calvert (CDR NATC), Chiles (OP-21), *Clexton (DIR FOR OPS, CINCLANTFLT), Evans (NAVSEA), Hazard (JCS), Kalleres (OP-80), *Ready (OP-50), Rich (OP-941).

Total: 9, 46 percent.

O–8 FISCAL YEAR 1988

From combat forces

Chandler (USCOMSOLANT), Gallo (COMPATWINGSLANT), Lewin (COMNAVFAC SUBIC), Loftus (COMFAIRMED), McGrail (COMCARGRU 1), Miller (COMCRUDESGRU 3), Perry (COMHELWINGSLANT), Sharp (COMCRUDESGRU 2), Taylor (COMLATWINGPAC), Taylor (COMCRUDESGRU 1).

Total: 10, 50 percent.

From administration/headquarters

Ailes (OP-35), *Cargil (OP-943), Colley (COMNAVCRUITCOM), Cossey (COMNAVFORJAPAN), Emery (COMTRALANT), Fox (JCS), Gentz (PMTC PT MUGU), Less (JCS), Pittinger (OP-951), Truly (NASA).

Total: 10, 50 percent.

O–7 FISCAL YEAR 1989

From combat forces

Anzelmo (Constellation (CV 64)), Bremner (Coral Sea (CV 43)), Fitzgerald (COMDESRON 31)), Flanagan (COMDESRON 5), Frost (Saratoga (CV 60)), Laplante (CORONADO (AGF 11)), Moriarty (J.F. Kennedy (CV 67)), Quast (Bunker Hill (CG 52)), Redd (COMDESRON 36), Schriefer (Bealleau Wood (LHA 3)), Zlatoper (COMSEVENTHFLT).

Total: 11, 37 percent.

From administration/headquarters

*Barr (OP–22b), *Carlson (NAVSEASYSCOM), *Clarey (COMNAVSURFPAC), *Davis (OP–00E), *Earner (SSG NAVWARCOL), Gomez (JCS), Hall (SSG NAVWARCOL), *Hood (NAVSEASYSCOM), *Kaup (COMSUBPAC), Lang (NAVSEASYSCOM), Lautenbacher (NAVSTA NORFOLK), *Parcells (DASD LA), *Partington (NAVMILPERSCOM), *Ryan (SSG NAVWARCOL), *Tindall (NAVMILPERSCOM), *Tobin (SURFWARSCOL), *Vincent (NAVAIRSYSCOM), *Worthington (SPEC OPER COMEUR), *Wright (SSG NAVWARCOL).

Total: 19, 63 percent.

O–7 FISCAL YEAR 1988

From combat forces

Allen (America (CV 66)), Best (COMSECONDFLT), Conner (Nimitz (CVN 68)), Gee (Vincennes (CG–49)), Glenn (New Jersey (BB 62)), Lewis (COMCVW–8), Lynch (COMDESRON 26), Mixson (Midway (CV 41)), Walsh (Ticonderoga (CG 47)).

Total: 9.

From administration/headquarters

Boecker (ASN RE&S), *Cressy (CINCLANTFLT), *Dalrymple (COMNAVSURFLANT), *Duffy (OP–943B), Houley (OP–11), Jones (OP–90B), Lee (CINCLANTFLT), Lemoyne (OP–604), *March (CINCPACFLT), *Meinicke (COMSUBLANT), Miller (Research Lab), *Moses (NAVMILPERSCOM), *Olson (SMRG Newport), Owens (OP–09A), *Paulsen (OP–002), *Strasser (JCS), *Tobin (SSG NAVWARCOL), *Unruh (SSG NAVWARCOL), *Volgenau (NUSC Newport), *Wilgenbusch (SPAWARCOM).

Total: 20.

*Immediate previous assignment was combat force (ship/squadron).

RECENT PERSONNEL CUT IMPACT ON FLAG OFFICER NUMBERS

Senator McCain. What impact have recent cuts in personnel had on the number of general and flag officers in each service? What trends are now projected for fiscal year 1990?

Admiral Boorda. Cuts in personnel numbers for the Navy have occurred in the area of programmed growth and not from actual on board figures. Our fiscal year 88/89 authorized officer end strength is programmed for 72,610. Based on statutory ceilings for flag officers delineated by title 10, our authorized officer end strength would allow us to have 318 flags compared to the present OSD authorization of 258. By law, our end strength authorization would allow Navy 60 more flag officers than currently are authorized by OSD.

ANNUAL RATE OF FLAG PROMOTIONS

Senator McCain. What has the annual rate of promotion been within each grade of general officer by service during the last 5 years? What percentage of colonel grade equivalents have been promoted? How is this currently projected to change during fiscal year 1989 and fiscal year 1990?

Admiral Boorda.

[In percent]

	O–7	O–8
Fiscal year 1989	2.39	60
Fiscal year 1988	2.32	60
Fiscal year 1987	2.22	60
Fiscal year 1986	2.30	60

[In percent]

	0–7	0–8
Fiscal year 1985	2.40	60

There will be no significant changes in fiscal year 1990 and fiscal year 1991.

Senator McCAIN. General Hudson, please provide a breakout by service of promotions to and within the rank of general and flag officer showing the promotions coming directly from the command of combat forces versus promotions from administrative, headquarters, and other assignments.

General HUDSON.

	At selection serving			
	HQMC	CBT unit	JT duty	Supt. estab/ext.
Fiscal year 1987:				
To major general	1	4		1
To brigadier general	4	5	1	1
Fiscal year 1988:				
To major general	3	1		4
To brigadier general	2	4	1	6
Fiscal year 1989:				
To major general	2	4	2	1
To brigadier general	2	6	1	3

Senator McCAIN. Please provide similar breakout showing the promotions to and within the rank of general and flag officer from assignments qualifying as joint assignments, and showing the number of officers getting promoted who qualify for joint duty versus those being promoted from the command of combat units.

General HUDSON.

	At selection serving			
	HQMC	CBT unit	JT duty	Supt estab./ ext.
Fiscal year 1987:				
To major general	1	4		1
To brigadier general	4	5	1	1
Fiscal year 1988:				
To major general	3	1		4
To brigadier general	2	4	1	6
Fiscal year 1989:				
To major general	2	4	2	1
To brigadier general	2	6	1	3

Senator McCAIN. What impact have recent cuts in personnel had on the number of general and flag officers in each rank in each service? What trends are now projected for fiscal year 1990?

General HUDSON.

Fiscal year	Officer	Enlisted	Total	0–10	0–9	0–8	0–7	Total
1985	20,175	177,850	198,025	2	7	23	33	65
1986	20,199	178,615	198,814	3	6	23	33	65
1987	20,047	179,478	199,525	3	7	25	35	70
1988	20,096	177,128	197,224	3	8	24	35	70
1989	20,120	177,080	197,200	2	9	24	35	70

Fiscal year	Officer	Enlisted	Total	0–10	0–9	0–8	0–7	Total
1990	20,120	177,080	197,200	2	9	24	35	70

The actual and projected end strengths and distributions of general officers are provided above. The Marine Corps has maintained a relatively stable total strength of somewhat less than 200,000 since 1972. Our total numbers of general officers decreased steadily from 79 to 1970 to 65 in 1986. On 20 June 1986, the Deputy Secretary of Defense reallocated five general officer authorizations to the Marine Corps for the sole purpose of the Marine Corps' increased participation in the joint arena. Our general to total active strength ratio (1:2817) represents the lowest among the services and reflects our commitment to a traditionally lean, leader-to-led philosophy.

Senator McCAIN. What has the annual rate of promotion been within each grade of general officer by service during the last 5 years? What percentage of colonel grade equivalents have been promoted? How is this currently projected to change during fiscal year 1989 and fiscal 1990?

General HUDSON.

OPPORTUNITY

[In percent]

Grade	Fiscal year						
	1984	1985	1986	1987	1988	1989	1990
To colonel	60	60	60	60	55	50	(50)
To brigadier general	15	13	11	12	11	11	12
To major general	73	60	56	60	73	69	67

( ) = Projected.

The selections for promotion for fiscal year 1989 have taken place; the promotion plans for generals for fiscal year 1990 have been approved by the Secretary of the Navy. We anticipate similar promotion opportunity to colonel in fiscal year 1990 as we had in fiscal year 1989. Projections for fiscal year 1991 can be assumed to resemble fiscal year 1989 and fiscal year 1990.

HAY STUDY

Senator McCAIN. General Hickey, please provide a breakout by service of promotions to and within the rank of general and flag officer showing the promotions coming directly from the command of combat forces versus promotions from administrative headquarters, and other assignments.

General HICKEY. The breakout you requested is provided below:

Board	1983	1984	1985	1986	1987
Combat commander (see note 2):					
Brigadier general	14	14	22	13	18
Major general				7	6
Administrative headquarters/other:					
Brigadier general	30	33	29	33	31
Major general				21	26

Note 1: Promotion boards are only conducted for brigadier and major general promotions. Promotions to lieutenant general and general are by appointment only. Data for the 83–85 major general boards is not available.

Note 2: Does not include a number of officers previously assigned as combat commanders or officers serving in combat operational staff assignments.

Senator McCAIN. Please provide a similar breakout showing the promotions to and within the rank of general and flag officer from assignments qualifying as joint assignments, and showing the number of officers getting promotion who qualify for joint duty versus those being promoted from the command of combat units.

General HICKEY. The breakout you requested is provided below:

Board	1983	1984	1985	1986	1987
Joint job at time of selection:					
Brigadier general	4	3	5	6	7
Major general				4	4
Joint experience at time of selection:					
Brigadier general	39	43	45	46	43
Major general				4	4
Combat commander at time of selection (see note 2):					
Brigadier general	14	14	22	13	18
Major general				7	6

Note 1: Promotion boards are only conducted for brigadier general and major general promotions. Promotions to lieutenant general and general are by appointment only Data for the 83–85 major general boards are not available.

Note 2: Does not include a number of officers previously assigned as combat commanders or officers serving in combat operational staff assignments.

Senator McCain. What impact have recent cuts in personnel had on the number of general and flag officers in each rank in each service? What trends are now projected for fiscal year 1990?

General Hickey. The requirement for general officers has always exceeded authorized numbers. In 1978 our general officer ceiling was reduced to 360 down from 420 in 1972. From 1978 to 1987 we have seen the Air Force general officer ceiling further reduced to an all-time low of 338. Yet, during the same 9-year period, total Air Force end-strength rose nearly 45,000 and budgetary authority (Total Obligational Authority) increased from $33B to $94B. Despite the planned reductions you reference, we still have a plus-up of some 10,000 in overall strength and the possibility of more budgetary authority. We continue to believe these figures support an increase in general officer authorizations now and in fiscal year 1990.

Senator McCain. What has the annual rate of promotion been within each grade of general officer by service during the last 5 years? What percentage of colonel grade equivalents have been promoted? How is this currently projected to change during fiscal year 1989 and fiscal year 1990?

General Hickey. Annual rates of promotion for brigadier and major generals during the last 5 years are provided below:

[In percent]

Board	1983	1984	1985	1986	1987
To brigadier general	1.3	1.6	1.7	1.5	1.5
To major general	21.7	22.6	24.3	23.3	30.4

The promotion opportunity will remain approximately the same through fiscal year 1990.

Senator Glenn. Gentlemen, I appreciate your being here this morning. Thank you. And the committee will stand in recess subject to call of the Chair.

[Whereupon, at 12:30 p.m., the subcommittee was adjourned.]

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